ECONOMIC DEVELOPMENTS IN PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE

2012 | 2013





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FOREWORD TO THE ENGLISH VERSION

The publication 'Economic Developments in Portuguese-speaking African Countries and Timor-Leste 2012/2013' is a condensed version of the Portuguese 'Evolução das Economias dos PALOP e de Timor-Leste 2012/2013".

This English version includes the text on the international environment, an overview of the current economic conditions in Portuguese-speaking African Countries and Timor-Leste and of these countries' financial relations with Portugal, and the extensive statistical annexes of the Portuguese original.

October 2013

FOREWORD

As in previous editions, the publication 'Economic Developments in Portuguese-speaking African Countries and Timor-Leste' aims to contribute to a better knowledge of current economic conditions in those countries, focusing both on key macroeconomic data and economic and financial relations with Portugal.

Chapters II and III were prepared on the basis of information received up to the end of July 2013. In some cases, this information corresponds to preliminary data or estimates which may be revised.

We thank the entities contacted for their kind cooperation, in particular the Central Banks of Angola, Cape Verde, Mozambique, São Tomé and Príncipe and Timor-Leste, and the national branch of the Central Bank of West African States in Guinea-Bissau. Their assistance was crucial in obtaining the information needed to prepare this report.

September 2013



Recent developments and outlook¹

The pace of expansion in the world economy as a whole is not expected to change significantly in 2013, compared with both initial expectations and the previous year. However, there are indications of a shift in the relative performance of regions across the world. Although significant uncertainty continues to surround the projections, with considerable risks of a potentially substantial impact, several indicators suggest uneven developments between the two major groups of economies, broadly considered. Indeed, while world economic growth remains at levels below those reached immediately before and after the most difficult years of the global crisis (2008-09) – similarly to international trade volume – a general trend seems to be emerging of a recovery in advanced economies and a slowdown in emerging and developing economies. However, as a whole the latter continue to expand at rather a brisker pace than advanced economies (see Chart I.1, bearing in mind that the recovery/slowdown dynamic is more evident in terms of quarterly changes than a full-year analysis of 2012 and 2013).

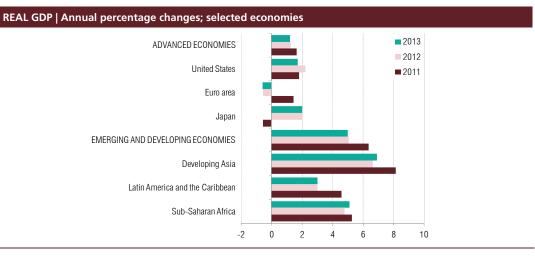


Chart I.1.

Source: IMF, World Economic Outlook Database, August 2013.

Naturally, this overall scenario varies significantly given that the main regions and countries stand at distinct positions of the business cycle and evolve at different rates. However, this scenario also reflects somewhat cross-cutting, worldwide factors – which, in the short run, are all predominantly conducive to sustained growth (particularly in advanced economies, but also elsewhere to varying degrees).

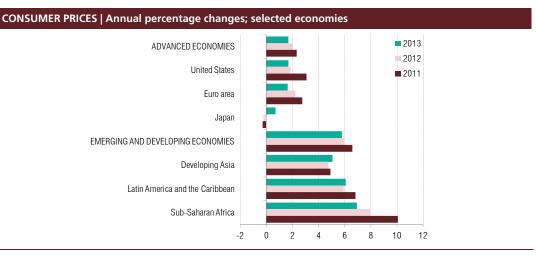
These include the maintenance of markedly accommodative monetary conditions in most advanced economies – in terms of both standard measures (reference interest rates kept at very low levels) and non-standard measures (purchase of financial assets by monetary authorities and explicit statement of their long-term monetary policy intentions). They also include the watered-down public finance consolidation efforts, compared with the original outlook for the 2012-14 period, particularly in several major advanced economies, where such consolidation seems to be particularly necessary. Therefore, the challenge remains of further advancing towards the medium to long-term sustainability required.

¹ This text was prepared on the basis of the information available up to 6 September 2013 and, as such, it does not include the updated macroeconomic projections typically released by major international financial institutions in the weeks following that date. For this reason, charts presented here incorporate figures that are likely to have been revised under that regular update (more specifically, as regards figures for 2013 included in the charts, which correspond to the projections released by the IMF, in its World Economic Outlook database, as at the date mentioned above). However, the analysis presented in the text takes into account several partial data and leading indicators that portray a more up-to-date and accurate picture of the recent macroeconomic environment.

Finally, they include a gradual recovery in the international financial system as a whole, thus enhancing its ability to support economic activity – particularly as regards some of its most important parts, such as the banking systems of a number of advanced economies. These banking systems were strongly affected by the international financial crisis but have already managed to make significant improvements in terms of soundness (as shown by their main liquidity and solvency indicators), although they also continue to show weaknesses that require further efforts.

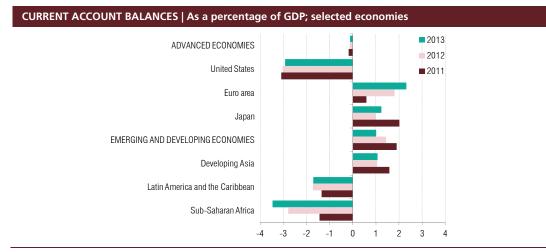
Mainly due to excess capacity in advanced economies, albeit in varying degrees, inflationary pressures have not been significant (see Chart I.2), allowing monetary policy to remain essentially accommodative. This should also be the case in the US economy, whose economic rebound has been an increasingly vital engine of world growth – which, in the second quarter of 2013, led to indications of a possible gradual, controlled tapering of non-standard monetary stimuli put in place by the Federal Reserve since 2009, as the above-mentioned rebound consolidates. This prospect of changes to the US monetary policy stance seems to have had a significant, although possibly temporary, impact on interest rates (particularly longer-term rates) worldwide, also contributing to an increase in financial volatility in a number of emerging economies, most notably those with more severe weaknesses.

Chart I.2.



Source: IMF, World Economic Outlook Database, August 2013.

Turning to the specific dynamics of some of the world's most important regions in this context, the *United States* are likely to become the backbone of global expansion in 2014, with their rebound gaining pace as of the first half of 2013. The US is expected to implement the most significant fiscal consolidation of all the main economies in 2013 (probably even higher than as shown in Chart I.4), due to the impact of tightening measures adopted earlier this year. These measures, however, arose from compromise, which means that they ended up being less extreme than initially planned (the so-called "fiscal cliff") and did not have the feared strong recessive impact. Therefore, the favourable dynamics previously seen in the US economy should remain, particularly as regards a recovery in some of the sectors that were most severely affected by the "sub-prime crisis", e.g. the real estate market or the banking system – but also including aspects like the reduction of net household indebtedness, on the demand side, and the fall in energy prices (associated with shale gas extraction), on the supply side.



Source: IMF, World Economic Outlook Database, August 2013.

With regard to the *euro area*, there are indications confirming a recovery in economic activity, although it remains at an earlier position in the business cycle with only slight growth in the second quarter of 2013, after six quarters of technical recession. This early rebound has been sustained by keeping an accommodative monetary policy stance, which is seen as appropriate in view of the absence of significant inflationary pressures and the fragmentation in financial markets that has characterised the euro area economy since the onset of the sovereign debt crisis. This fragmentation is still a major obstacle to a sustained and widespread recovery, with considerable gains in terms of employment (although fragmentation has already declined somewhat).

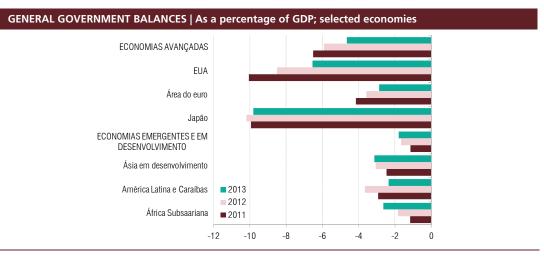
Fiscal policy, in turn, remains contractionary, although less markedly than in 2011 (and what was previously expected for 2012-13), particularly as regards countries with lower deficits, which seems to have also contributed to a reversal in the business cycle – including, in particular, by helping sustain activity across peripheral countries, fuelling their exports not only to the rest of the world but also to the remaining euro area countries. In fact, the stronger external position of the euro area as a whole (see Chart 1.3) also reflects the progress made by the peripheral countries in their macroeconomic adjustment processes, which are clearly painful, both in terms of income and employment, but have already produced results in terms of balance sheet restructuring and competitiveness gains.

Turning to *Japan*, recent macroeconomic developments continued to be defined by the so-called "Abenomics", i.e. the strategy adopted by Prime Minister Shinzo Abe since his election in late 2012 – which mainly comprises three pillars (or "arrows"): monetary expansion based on non-standard measures, fiscal expansion mostly geared towards investment in infrastructures and structural reforms to enhance competitiveness. The Japanese economy reacted favourably in an early stage, with an acceleration in growth and only slightly increased inflation – bearing in mind that the main problem for a long time in Japan has been avoiding deflation (see Chart I.2). This new buoyancy in growth, which also reflects a significant positive impact on corporate and consumer confidence, is accompanied by an improvement in the external position (which has been traditionally very comfortable) and should even allow for a slight reduction of the fiscal deficit in 2013 (see Chart I.4), although in structural terms the opposite is expected. Indeed, the structural fiscal deficit is projected to deteriorate for the sixth year in a row, a trend which should only reverse in 2014 and which has worsened public debt. This is among the highest in the world, which makes it imperative to implement fiscal consolidation over the long term (even though the fact that its creditors are mostly Japanese investors and that the economy as a whole posts a comfortable surplus gives some leeway to the authorities).

П

With regard to *China*, available data confirm the view of a moderate and controlled slowdown in the pace of activity, particularly since 2012 – with real annual growth rates converging to figures close to 7%, down from approximately 10% prior to that date. This phenomenon is seen as the reflection of a gradual transition of the Chinese economy to a more balanced and sustainable growth profile. In China's case, this means growth based less on investment and more on private consumption, as well as being less dependent on bank credit. Given China's absolute and relative size in the world economy over the years, the way this process will progress is, naturally, going to be of global importance (e.g. the slowdown in the Chinese economy is deemed to be one of the main determinants of a decline in international non-oil commodity prices since 2012). This is a process in which the economic policy stance adopted by the Chinese authorities will take on particular importance, but also one in which they already have some advantages – namely, a comfortable fiscal and external position.

Chart I.4.



Source: IMF, World Economic Outlook Database, August 2013.

Sub-Saharan Africa, as a whole, has been one of the most buoyant regions worldwide over the past decade, with robust growth levels (affected only moderately and temporarily by the international crisis) and much more comfortable macroeconomic stability indicators than in previous decades across all key dimensions. Taken as a whole, Sub-Saharan economies have reacted well to global developments over the past two years – more specifically, the relative decline in external demand in important regions for these economies, such as the euro area (which has started to rebound only recently) and China; as well as, in particular, the decline in international non-oil commodity prices, which led to a terms of trade deterioration for many Sub-Saharan countries. Indeed, the deceleration of growth in Sub-Saharan Africa in 2012 and 2013 should be the least pronounced among emerging and developing regions, with activity supported to a larger extent by domestic consumption and investment (including in projects to expand its future export capacity) – although with some negative impact on its external position (see Chart I.3).

ECONOMIC DEVELOPMENTS IN PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE

ANGOLA

CAPE VERDE

GUINEA-BISSAU

MOZAMBIQUE

SÃO TOMÉ AND PRÍNCIPE

TIMOR-LESTE



ANGOLA

AREA: 1,246,700 Km²

CAPITAL CITY: Luanda

POPULATION: 20.2 million (2012; source: UN)

CURRENCY: Kwanza

The adjustment process carried out in the past few years and the maintenance of oil revenue at high levels allowed for a consolidation of the Angolan macroeconomic conditions in the course of 2012 and the early months of 2013. These developments are reflected in indicators such as the substantial acceleration of growth, the fall in inflation to historical lows and the significant improvement in the fiscal and external position, culminating in the strengthening of foreign exchange reserves and reduction of the debt burden.

II.1. ANGOLA – Overview

The consolidation of the Angolan economic recovery in the course of 2012 and the early months of 2013 shows that the shock triggered in 2009 by the international crisis has been overcome. This shock had been mostly due to the initial fall in Angola's oil revenue, whose impact could not be immediately accommodated. However, the adjustment effort then implemented (in the context of an IMF-supported programme) and the return of oil revenue to higher levels allowed a substantial correction of imbalances that culminated in the period under review. In fact, the pace of economic growth accelerated, inflation slowed down to historical lows and further significant surpluses were recorded at fiscal and external level, making it possible to reduce the weight of public debt and to significantly strengthen foreign exchange reserves.

Table II.1.1.

MAIN ECONOMIC INDICATORS						
	2009	2010 Est.	2011 Est.	2012 Prog.	2012 Est.	2013 Prog.
Real GDP (annual % change)	2.4	3.4	3.9	6.8	7.5	7.1
Inflation (end-of-period % change)	14.0	15.3	11.4	9.6	9.0	9.0
Broad money (annual % change)	21.5	7.1	34.0	14.7	7.9	46.8
Current account (% of GDP)	-10.1	9.1	12.6	7.3	12.2	4.2
Overall fiscal balance (% of GDP)	-9.6	5.3	10.2	2.4	8.9	-3.8
External public debt (% of GDP)	20.1	21.6	20.2	19.5	19.9	20.4

Sources: Banco Nacional de Angola, Ministry of Finance (Angola) and International Monetary Fund.

As regards output, the dynamics of the non-oil economy persisted, with real growth rates above those of the oil sector since 2006, and are likely to benefit in the short run from the strong fiscal stimulus associated with the State Budget for 2013. However, in the longer term the non-oil economy will continue to depend on the fight against structural constraints in areas such as infrastructures, human resources and the business environment (a challenge assumed by the Angolan authorities themselves).

The oil sector performance also improved considerably in 2012, with a rise in production to an average level of 1.74 million barrels per day (following consecutive drops in the previous three years, due to a number of technical constraints). The recovery continued into the first half of 2013, which was also marked by the start of regular extraction in ultra deep waters and by the launch of the natural gas exploration project (while prospects regarding oil exploration in the so-called pre-salt and onshore oil fields improved).

In addition to an increase in production, the Angolan oil sector also benefited from a further rise in its average price in 2012 (0.6% up from 2011, but already 81.5% up from 2009). Thus, this was the third consecutive annual rise in the value of crude oil exports, which (combined with more subdued current debits as a whole) was crucial for the significant increase in gross foreign exchange reserves and the reduction of the external debt burden (equivalent to 29.1% and 19.9% of GDP respectively at the end of 2012).

As a consequence, the outturn of government oil revenue was 58% higher than forecast in the State Budget for 2012, thereby creating fiscal space to increase expenditure (albeit to a lesser extent) and allowing a further substantial fiscal surplus. Monetary policy also benefited from the increase in foreign exchange reserves, which support the market intervention by the central bank of Angola to keep the USD exchange rate broadly stable — i.e. the key intermediate target for fighting inflation. In turn, inflation continued the sustained downward trend seen since 2011, reaching a historical low in January 2013 (8.9%) — particularly remarkable in a country which has endured hyperinflation in the past.

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Table A.II.1.1.

MAIN ECONOMIC INDICATORS	5									
		2008	2009	2010	2011	20	12	;	2013	
				Est.	Est.	Prog.	Est.	Prog.	Est.	
OUTPUT AND PRICES										
Nominal GDP	AOK billions	6,316	5,989	7,579	9,780	10,897	10,830	11,951		
	EUR billions	57.2	54.1	62.1	74.9		88.3			
	USD billions	84.2	75.2	82.4	104.2	112.7	113.5	124.1		
Real GDP	Annual % change	13.8	2.4	3.4	3.9	6.8	7.5	7.1		
Oil sector	Annual % change	12.3	-5.1	-3.0	-5.5	8.5	4.3	6.6		
Other sectors	Annual % change	15.0	8.3	7.8	9.7	6.0	9.1	7.3		
Inflation (CPI-Luanda)	E-o-p % change	13.2	14.0	15.3	11.4	9.6	9.0	9.0	9.2	Jun
	Average % change	12.5	13.7	14.5	13.5	10.8	10.3		9.4	Jun
PUBLIC FINANCES										
Total revenue	% of GDP	50.9	34.6	43.5	48.8	34.5	46.5	38.2		
Oil revenue	% of GDP	41.2	24.2	33.0	39.0	23.5	37.4	27.5		
Total expenditure ^(a)	% of GDP	56.6	44.2	38.2	38.6	32.1	37.7	42.0		
Current expenditure	% of GDP	33.3	31.7	28.5	29.9	23.7	26.2	28.0		
Capital expenditure	% of GDP	23.3	12.4	9.7	8.7	8.5	11.4	14.1		
Overall balance (commitment basis)	% of GDP	-5.6	-9.6	5.3	10.2	2.4	8.9	-3.8		
Overall balance (cash basis)	% of GDP	-5.6	-8.6	5.3	11.8	2.4	8.2	-3.8		
MONEY AND CREDIT										
Net foreign assets	Annual % change	43.7	-23.8	50.4	70.9	29.4	8.8	55.4	15.3	May
Credit to the economy	Annual % change	66.8	55.4	25.8	28.6	15.2	24.1	7.6	11.8	May
Broad money (M3)	Annual % change	103.9	21.5	7.1	34.0	14.7	7.9	46.8	3.5	May
INTEREST RATES										
Credit in national cur. ^(b) (180 d)	Annual rate	12.0	15.6	19.0	18.1		15.3		16.9	May
Deposits in national cur. (180 d)	Annual rate	12.5	12.6	10.0	6.7		4.7		4.1	May
Deposits in foreign cur. (180 d)	Annual rate	4.8	4.9	7.2	2.7		2.3		2.1	May
Central bank bills (63 d)	Annual rate	14.1	21.4	10.0	7.2		4.1			
Treasury bills (182 d)	Annual rate	14.9		11.6	4.8		3.7		4.3	Jun
Treasury bonds ^(c) (3-year)	Annual rate		5.5	7.0	7.0		7.3		7.3	Jun
BALANCE OF PAYMENTS										
Exports (current USD)	Annual % change	44.0	-36.1	23.9	33.0	-0.4	5.6	-9.8		
Imports (current USD)	Annual % change	53.6	8.0	-26.4	21.4	11.6	17.2	3.3		
Trade balance	% of GDP	51.0	24.1	41.2	45.2	39.5	41.7	31.9		
Current account	% of GDP	8.5	-10.1	9.1	12.6	7.3	12.2	4.2		
Foreign reserves (gross)	USD millions	17.9	13.2	19.4	28.4	31.0	33.0	34.4	36.7	May
EXTERNAL PUBLIC DEBT										
Total external public debt	EUR millions	10.1	10.9	13.4	15.1		17.6			
	USD millions	14.8	15.1	17.8	21.0	22.0	22.6	25.3		
	% of GDP	17.6	20.1	21.6	20.2	19.5	19.9	20.4		
EXCHANGE RATES										
Bilateral rate EUR / AOK	Average rate	110.4	110.7	122.0	130.5		122.6		124.8	May
Bilateral rate USD / AOK	Average rate	75.0	79.6	92.0	93.9		95.4		96.1	
Nominal EERI [appreciation: +] (d)	Annual % change	-3.1	-5.8	-13.0	-4.8		-1.5		-2.2	-
Real EERI [appreciation: +] ^(d)	Annual % change	4.2	7.7	-2.7	3.7		6.1		5.2	May

Sources: Banco Nacional de Angola, Ministry of Finance (Angola), IMF and Banco de Portugal calculations.

Notes: (a) Includes, for all years shown, current and capital expenditure incurred by state-owned enterprises (mainly Sonangol) and now included in the budget (quasi-fiscal operations); (b) Credit granted to enterprises; (c) Bonds issued in AOK but indexed to the USD/AOK exchange rate; (d) Effective exchange rate index (EERI), calculated on the basis of exchange rates applied to the currencies of the four major trading partners over the period 2005/2009.

Table A.II.1.2.

GROSS DOMESTIC PRODUCT Current price	es, billior	ns of kwa	inzas				
	2008	2009	2010	2011	20 1	-	2013
			Est.	Est.	Prog.	Est.	Prog.
Primary sector	4,055	3,326	4,213	5,638		5,936	
Agriculture, fishing and related products	420	611	746	909		1,138	
Mining and quarrying	3,635	2,715	3,467	4,730		4,798	
Oil and gas	3,569	2,662	3,396	4,641		4,709	
Other (incl. diamonds)	66	54	71	89		89	
Secondary sector	627	821	1,075	1,346		1,587	
Manufacturing	303	364	464	584		685	
Electricity and water	5	7	10	11		15	
Construction	319	450	602	751		888	
Tertiary sector	1,480	1,694	2,103	2,565		3,062	
Trade and tradable services	1,104	1,240	1,555	1,896		2,294	
Non-tradable services	376	454	548	669		767	
GROSS DOMESTIC PRODUCT (at factor costs)	6,162	5,841	7,392	9,549		10,584	
Indirect taxes and subsidies	154	147	188	231		246	
GROSS DOMESTIC PRODUCT (market prices)	6,316	5,989	7,579	9,780	10,897	10,830	11,951
Memo items:							
Nominal GDPmp (EUR billions)	57.2	54.1	62.1	74.9		88.3	
Nominal GDPmp (USD billions)	84.2	75.2	82.4	104.2	112.7	113.5	124.1
Nominal GDPmp (in Kz, annual % change)	36.2	-5.2	26.6	29.0	11.4	10.7	10.4
Real GDP (annual % change)	13.8	2.4	3.4	3.9	6.8	7.5	7.1
Oil sector	12.3	-5.1	-3.0	-5.5	8.5	4.3	6.6
Other sectors	15.0	8. <i>3</i>	7.8	9.7	6.0	9.1	7.3

Sources: Banco Nacional de Angola, IMF and Banco de Portugal calculations.

Table A.II.1.3.

		Monthly change [1]	Cumulative change [2]	End-of-period change [3]	Averag chang [4
2000	December	10	268.4	268.4	325.
2000	December		116.1	116.1	152.
2002	December		105.6	105.6	102.
	December		76.6	76.6	
2003					98.
2004	December		31.0	31.0	43.
005	December		18.5	18.5	23.
006	December		12.2	12.2	13.
007	December		11.7	11.7	12.
800	December		13.2	13.2	12.
009	December		14.0	14.0	13.
010	December		15.3	15.3	14.
011	December		11.4	11.4	13.
012	December		9.0	9.0	10.
011	January	0.6	0.6	15.1	14.
	February	0.8	1.5	15.1	14
	March	0.8	2.3	14.8	14
	April	0.9	3.2	14.6	14
	May	1.0	4.2	14.5	14
	June	1.0	5.3	14.6	14
	July	0.7	6.1	14.1	15
	August	0.7	6.9	13.7	14
	September	0.8	7.7	11.9	14
	October	0.8	8.5	11.4	14
	November	0.9	9.5	11.3	13
	December	1.7	11.4	11.4	13
	December (prog.)			10.8	12.
012	January	0.7	0.7	11.5	13
	February	0.7	1.4	11.3	12
	March	0.6	2.0	11.1	12
	April	0.7	2.7	10.9	12
	May	0.6	3.4	10.5	11
	June	0.7	4.1	10.1	11
	July	0.7	4.8	10.0	11
	August	0.6	5.4	9.9	10
	September	0.5	6.0	9.6	10
	October	0.9	7.0	9.8	10
	November	0.9	8.0	9.8	10
	December	1.0	9.0	9.0	10
	December (prog.)			9.6	10.
013	January	0.6	0.6	8.9	10
	February	0.8	1.4	9.0	9
	March	0.7	2.1	9.1	9
	April	0.6	2.7	9.0	9
	May	0.9	3.6	9.2	9
	June	0.6	4.3	9.2	9
	December (prog.)			9.0	

Sources: Banco Nacional de Angola, IMF and Banco de Portugal calculations.

Notes: [1] month (n) / month (n-1); [2] month (n) / previous December; [3] month (n) / month (n) of the previous year; [4] last 12 months / previous 12 months.

Table A.II.1.4.

	2008	2009	2010	2011	20	12	2013
			Est.	Est.	Prog.	Est.	Prog
1. Current account	7,195	-7,572	7,506	13,085	8,277	13,851	5,17
Merchandise	42,932	18,168	33,928	47,082	44,485	47,374	39,64
Exports (f.o.b.)	63,914	40,828	50,595	67,310	67,059	71,091	64,14
Oil sector	62,457	39,803	49,352	65,591	65,704	69,716	62,70
of which: crude oil	61,666	39,271	48,629	64,539	64,779	68,871	61,71
Diamonds	1,210	814	976	1,205	1,037	1,159	1,11
Other	247	212	267	514	318	216	33
Imports (f.o.b.)	-20,982	-22,660	-16,667	-20,229	-22,574	-23,717	-24,49
Services and income	-35,527	-25,369	-25,984	-32,635	-35,690	-31,761	-34,01
Services (net)	-21,810	-18,546	-17,898	-22,938	-24,302	-21,339	-23,06
Credit	330	623	857	732	670	780	72
Debit	-22,139	-19,169	-18,754	-23,670	-24,972	-22,119	-23,79
of which: Transportation and travel	-3,975	-4,288	-3,237	-3,810		-4,597	
Construction	-5,007	-4,676	-4,643	-7,932		-6,230	
Technical assistance	-7,592	-7,114	-6,158	-9,173		-8,908	
Income (net)	-13,718	-6,823	-8,087	-9,697	-11,388	-10,422	-10,94
of which: Interest on public debt	-508	-504	-392	-534		-662	
Dividends and profits	-13,185	-6,130	-7,525	-9,040		-9,722	
Current transfers (net)	-210	-370	-438	-1,362	-518	-1,762	-46
2. Capital and financial accounts	61	2,955	-897	-3,997	-4,592	-9,208	-2,05
Capital transfers (net)	13	11	1	5	1	1	
Foreign direct investment (net)	-891	2,199	-4,568	-5,116	-3,077	-2,582	59
In reporting country (net) ^(a)	1,679	2,205	-3,227	-3,024		,	
Abroad (net)	-2,570	-7	-1,340	-2,093			
Other investiment (net)	-2,894	185	1,216	-2,241	-1,516	-9,981	-2,65
3. Overall balance: [1 + 2]	7,256	-4,616	6,609	9,088	3,685	4,643	3,12
4. Financing	-7,256	4,616	-6,609	-9,088	-3,685	-4,643	-3,12
Change in official reserves (net) [increase: -]	-6,673	4,631	-6,101	-9,054	-3,685	-4,642	-3,12
Exceptional financing ^(b)	-583	-15	-508	-34	0	-1	-,
5. Financing gap	0	0	0	0	0	0	
Memo items:							
Trade balance (% of GDP)	51.0	24.1	41.2	45.2	39.5	41.7	31.
Current account (% of GDP)	8.5	-10.1	9.1	12.6	7.3	12.2	4.

Sources: Banco Nacional de Angola, IMF and Banco de Portugal calculations.

Notes: (a) Negative values from 2010 onwards (disinvestment in Angola) reflect mostly investment recovery in the oil sector;

(b) Mainly change in arrears and debt forgiveness or rescheduling.

Table A.II.1.5.

MERCHANDISE EXPORTS Products	, USD m	illions ;	Destin	ations,	% of to	otal		
	2006	2007	2008	2009	2010	2011	2012	2006 to 2012
					Est.	Est.	Est.	Est.
TOTAL EXPORTS	31,862	44,396	63,914	40,828	50,595	67,310	71,091	
Crude oil	29,929	42,352	61,666	39,271	48,629	64,539	68,871	
Refined oil products and gas	554	652	792	532	722	1,052	845	
Diamonds	1,155	1,182	1,210	814	976	1,205	1,159	
Other	225	211	247	212	267	292	292	
EXPORTS BY DESTINATION ^(a)								
South Africa	1.8	3.9	4.1	3.2	3.1	2.6	4.2	3.4
Canada	5.5	5.9	5.2	5.4	5.8	8.7	5.0	6.0
China	30.1	26.4	29.7	38.5	42.8	37.7	49.6	37.4
United States	31.4	24.0	23.3	19.0	18.1	15.9	8.7	18.7
France	3.5	5.2	5.0	7.6	3.7	3.2	1.6	4.0
India	2.0	5.5	4.3	9.4	10.1	10.7	10.1	7.9
Portugal	0.0	1.0	0.8	0.5	1.8	2.4	2.5	1.5
Taiwan	5.2	4.2	2.5	2.9	4.8	8.2	6.1	5.0
Other	20.5	24.0	-	13.5	9.8	10.6	12.2	16.1

Sources: Banco Nacional de Angola, IMF and Banco de Portugal calculations.

Note: (a) Crude oil exports only.

Table A.II.1.6.

MERCHANDISE IMPORTS Products,	USD m	illions ;	Origin	s, % of	total			
	2006	2007	2008	2009	2010	2011	2012	2006 to 2012
					Est.	Est.	Est.	Est.
TOTAL IMPORTS	8,778	13,662	20,982	22,660	16,667	20,229	23,717	
of which: SNA ^(a)	5,664	8,590	14,828	22,548	16,667	20,228	23,717	
IMPORTAÇÕES POR ORIGEM								
South Africa	8.7	6.6	5.7	3.9	4.0	3.8	3.8	4.6
Belgium	4.8	5.0	4.5	6.4	7.3	6.0	6.7	6.1
Brazil	8.7	7.7	8.2	6.2	5.1	4.2	4.4	5.8
China	9.6	4.3	10.0	7.4	8.5	7.6	9.2	8.2
United States	6.4	11.0	9.1	10.7	7.4	8.2	5.5	8.3
Portugal	18.5	19.3	17.7	14.0	14.5	15.4	16.4	15.9
United Kingdom	3.4	4.8	3.6	4.4	5.1	2.9	2.4	3.7
Other	39.8	41.3	41.3	46.9	48.1	52.0	51.7	47.5

Sources: Banco Nacional de Angola, IMF and Banco de Portugal calculations.

Note: (a) Data from the National Customs Service of Angola.

Table A.II.1.7.

EXTERNAL PUBLIC DEBT AND FOREIGN RE	SERVES	USD mill	ions				
	2008	2009	2010	2011	201	12	2013
			Est.	Est.	Prog.	Est.	Prog.
1. Net foreign assets	19,750	12,628	18,425	30,457	37,895	32,940	48,909
of which: foreign reserves (gross)	17,911	13,238	19,444	28,393	31,031	33,041	34,416
2. Total external public debt (including arrears)	14,800	15,125	17,829	20,992	21,977	22,583	25,317
Commercial	8,504	9,002	10,676	13,125		13,786	
Banking	7,680	8,114	9,882	12,105		12,813	
Enterprises	824	888	794	1,020		974	
Official bilateral	5,917	5,386	5,816	6,221		6,978	
Official multilateral	379	738	1,328	1,640		1,813	
Comissões			8	5		6	
Memo items:							
Net foreign assets (% of GDP)	23.5	16.8	22.4	29.2	33.6	29.0	39.4
Gross foreign reserves (% of GDP)	21.3	17.6	23.6	27.3	27.5	29.1	27.7
Total external public debt (% of GDP)	17.6	20.1	21.6	20.2	19.5	19.9	20.4

Sources: Banco Nacional de Angola, IMF and Banco de Portugal calculations.

Table A.II.1.8.

GOVERNMENT OPERATIONS Billions of	kwanza	S						
	2008	2009	2010	2011		2012		2013
			Est.	Est.	Orç.	Est.	l.e. ^(a)	Prog
1. Total revenue	3,217	2,070	3,295	4,776	3,761	5,040	134.0	4,57
Tax revenue	3,070	1,988	3,094	4,528	3,564	4,794	134.5	4,40
Oil revenue	2,602	1,449	2,500	3,817	2,560	4,050	158.2	3,28
Non-oil revenue	468	539	594	711	1,004	744	74.1	1,11
Non-tax revenue	145	80	199	246	196	244	124.6	16
Grants	2	2	2	2	0	1		(
2. Total expenditure ^(b)	3,573	2,644	2,894	3,775	3,501	4,079	116.5	5,02
Current expenditure	2,103	1,901	2,161	2,928	2,578	2,842	110.2	3,34
Compensation of employees	543	665	714	877	1,061	940	88.6	1,296
Goods and services	718	539	619	1,031	850	1,145	134.8	1,15
Debt interest	123	103	90	95	111	108	<i>96.8</i>	6
Domestic	14	24	27	56	70	75	107.2	2
External	109	79	63	38	41	33	79.1	3
Transfers and subsidies	720	594	738	926	557	650	116.6	82
Capital expenditure	1,470	743	733	846	922	1,237	134.1	1,68
3. Overall balance (commitment basis) [1-2]	-356	-575	402	1,001	260	961		-450
4. Change in arrears (net)	4	59	-1	152	0	-71		(
Domestic ^(c)	-9	95	-1	152	0	-71		(
External interest	12	-36	0	0	0	0		(
5. Overall balance (cash basis) [3 + 4]	-352	-516	400	1,153	260	890		-450
6. Financing	352	516	-400	-1,153	-260	-890		45
Oil signature bonuses	0	0	0	0	0	145		(
External financing (net)	314	111	16	51	64	172		59
Disbursements	446	380	154	186	266	319		77
Amortisation	-131	-269	-138	-135	-203	-146		-179
Domestic financing (net)	38	405	-416	-1,204	-324	-1,065		-14
Bank financing	-456	514	-300	-826	0	-277		28
Non-bank financing	494	-109	-116	-378	-324	-788		-434
Memo items:								
Overall balance, commitment basis (% of GDP)	-5.6	-9.6	5.3	10.2	2.4	8.9		-3.8
Excluding oil revenue	-46.8	-33.8	-27.7	-28.8	-21.1	-28.5		-31.2

Sources: Banco Nacional de Angola, Ministry of Finance (Angola), IMF and Banco de Portugal calculations.

Notes: (a) Level of budget execution (%); (b) Includes, for all years shown, current and capital expenditure incurred by state-owned enterprises (mainly Sonangol) and now included in the budget (quasi-fiscal operations); (c) Net of changes in arrears to suppliers (expenditure) and changes in Sonangol's arrears to the Treasury (revenue).

Table A.II.1.9.

MONETARY SURVEY Billions of kwanzas												
	2008	2009	2010	2011	2012				2013			2013
	Dec	Dec	Dec	Dec	Dec	Dec	2012/2011	711	May	May13 / Dec12	Dec12	Dec
					Prog.	Est.	[1]	[2]	Est.	[1]	[2]	Prog.
Net foreign assets	1,481	1,129	1,698	2,902	3,754	3,156	8.8	7.0	3,448	9.2	7.4	4,904
Net foreign assets, USD billions	20	13	18	30	38	33	8.2		36	8.8		49
Banco Nacional de Angola	1,314	1,127	1,683	2,568	3,019	3,015	17.4	12.2	3,384	12.2	9.4	3,399
Net international reserves	1,315	1,128	1,605	2,485	2,845	2,936	18.1	12.3	3,307	12.6	9.4	3,219
Gross reserves	1,343	1,183	1,792	2,705		3,166	17.0	12.6	3,527	11.4	9.1	
Gross reserves, USD billions	18	13	19	28	31	33	16.4		37	11.0		34
Short-term liabilities	-28	-55	-186	-220		-230	4.6	-0.3	-220	-4.5	0.3	
Other foreign assets (net)	-	-2	78	82	174	79	-3.8	-0.1	77	-2.4	0.0	180
Commercial banks	167	2	14	334	735	141	-57.7	-5.3	64	-54.9	-2.0	1,505
Net domestic assets	616	1,419	1,031	754	439	788	4.5	0.9	400	-49.2	-9.8	887
Domestic credit (net)	594	1,728	1,782	1,747	1,142	1,834	5.0	2.4	1,319	-28.1	-13.1	1,595
Claims on general government (net)	-263	396	106	-407	-1,340	-839	105.9	-11.8	-1,401	60.9	-14.2	-1,282
Credit to the economy	858	1,332	1,676	2,155	2,482	2,673	24.1	14.2	2,720	1.8	1.2	2,877
Other domestic assets (net)	22	-309	-751	-994	-703	-1,047	-5.3	-1.5	-919	12.2	3.2	-708
Total assets	2,097	2,548	2,728	3,656	4,193	3,944	7.9	7.9	3,848	-2.4	-2.4	5,791
Broad money (M3)	2,097	2,548	2,728	3,656	4,193	3,944	7.9	7.9	3,848	-2.4	-2.4	5,791
Money and quasi-money (M2)	1,417	2,304	2,626	3,505	4,043	3,867	10.3		3,741	-3.3		5,641
Money	1,235	1,635	1,700	2,152		2,176	1.1		2,116	-2.7		
Currency in circulation	126	170	172	208	237	242	16.0		200	-17.4		325
Demand deposits	1,109	1,466	1,528	1,944		1,934	-0.5		1,916	-0.9		
in national currency	511	609	733	958	1,088	1,038	8.3		963	-7.3		1,490
in foreign currency	598	857	795	985		896	-9.1		954	6.5		
Quasi-money	182	699	926	1,353		1,691	25.0		1,625	-3.9		
Time deposits in national currency	42	260	409	594		811	36.6		764	-5.9		
Time deposits in foreign currency	140	409	517	759		880	16.0		862	-2.1		
Repurchase agreements	680	244	102	151	150	77	-48.9		107	38.8		150
Colliger Banco Nacional de Angola IME and Banco de Portugal calculations	al calculations											

Sources: Banco Nacional de Angola, IMF and Banco de Portugal calculations. Notes: [1] Percent changes from the end of the previous year, [2] Changes in percent of the initial stock of broad money (expansion/contraction determinants).

Table A.II.1.10.

INTEREST RATES Annual rat	es, per	cent									
	2008	2009	2010	2011	2011	2012	2012	2012	2013	2013	2013
	Dec	Dec	Dec	Jun	Dec	Jun	Sep	Dec	Mar	May	Jun
Deposits											
(in national currency)											
Demand deposits	2.95	2.56	2.44	0.04	5.79	0.01	0.00	0.00	0.00	0.00	
Time deposits											
Up to 90 days	8.67	12.06	8.18	7.60	4.32	3.31	3.03	3.07	2.93	2.95	
91-180 days	12.54	12.59	9.99	10.56	6.67	4.02	4.88	4.69	5.11	4.11	
181-365 days	7.51	11.62	6.81	10.24	5.55	3.88	5.57	4.90	5.20	4.35	
Over 1 year	5.81	4.62	1.65	7.24	8.58	5.87	6.85	7.02	6.72	7.17	
(in foreign currency)											
Demand deposits	0.18	0.95	0.08	0.05	2.00	0.00	0.00	0.00	0.00	0.00	
Time deposits											
Up to 90 days	4.72	4.05	2.32	2.91	2.38	2.39	2.10	1.84	1.84	1.80	
91-180 days	4.84	4.91	7.15	3.52	2.68	2.64	2.67	2.32	1.99	2.05	
181-365 days	4.10	5.78	2.73	3.68	3.72	3.36	3.33	2.65	2.63	2.60	
Over 1 year	5.14	5.95	1.12	1.36	3.88	1.81	2.91	3.11	2.89	3.62	
Credit (to enterprises)											
(in national currency)											
Up to 180 days	11.98	15.62	18.96	13.47	18.09	17.06	15.60	15.32	15.86	16.93	
181-365 days	10.71	19.39	18.23	17.82	15.98	17.51	15.90	14.36	14.52	14.86	
Over 1 year	10.52	19.02	23.74	23.57	17.70	18.48	11.10	15.09	15.85	15.28	
(in foreign currency)											
Up to 180 days	9.14	11.32	14.84	8.40	10.17	9.76	10.04	8.94	12.07	10.57	
181-365 days	8.11	9.90	8.72	11.60	10.03	11.94	9.01	11.54	11.73	11.45	
Over 1 year	7.84	8.57	9.86	13.83	10.42	10.90	9.97	11.29	12.94	11.01	
BNA intervention rates											
Rediscount	19.57	30.00	25.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Reference rate					10.50	10.25	10.25	10.25	10.00	10.00	10.00
Standing facilities											
Liquidity provision facility					12.50	11.75	11.50	11.50	11.25	11.25	11.25
Overnight deposit facility					2.00	1.50	1.50	1.50	1.25	1.00	1.00
Open market operations											
Liquidity provision				16.25	15.45				4.00	2.25	2.00
Liquidity absorption				7.75	5.22				4.93	2.25	2.00
Central bank bills											
14 days			7.00								
28 days		20.04	8.50								
63 days		21.44	9.99	8.40	7.18	3.21		4.12			
91 days			10.82								
182 days	14.89	20.88	11.55		6.80	3.94	5.04	5.08			
364 days	14.94		13.69								
Treasury bills											
91 days	14.59	23.28	10.82	8.34	3.94	3.29	2.75	3.35		2.95	3.00
182 days	14.89		11.55	7.87	4.82	3.57		3.71		3.57	4.31
364 days	14.94		13.69	9.00	5.18	3.68	4.00	5.10		4.16	5.96
Treasury bonds ^(a)											
1 year		4.46									
2 years		4.96				7.00	7.00	7.00		7.00	7.00
3 years		5.46	7.00	7.00	7.00	7.25	7.25	7.25		7.25	7.25
4 years		6.46	7.00		7.25	7.50	7.50	7.50		7.50	7.50
5 years			7.00	7.75	7.75	7.75	7.75	7.75		7.75	7.75
6 years				8.00	8.00						
Memo item:											
Inflation (end-of-period % change)	13.18	14.00	15.30	14.58	11.38	10.11	9.65	9.02	9.11	9.24	
Source: Banco Nacional de Angola.											

Note: (a) Treasury bonds issued in kwanzas but indexed to the USD/AOK exchange rate.

Table A.II.1.11.

	verage rates (primary market - BNA reference rates) EUR / AOK USD / AOK EERI ^{(a) (b)}					
	LONY HON		Nominal	Real		
2000	9.02	9.89	100.00	100.00		
2001	19.58	21.84	45.45	112.68		
2002	41.21	43.34	22.74	116.98		
2003	83.98	74.35	12.91	129.3		
2004	103.56	83.36	11.33	157.9		
2005	108.91	87.24	10.75	179.9		
2006	100.79	80.38	11.54	213.6		
2007	105.11	76.71	11.66	233.8		
2008	110.44	75.03	11.30	243.6		
2009	110.66	79.59	10.65	262.3		
2010	122.00	91.98	9.26	255.3		
2011	130.53	93.90	8.82	264.8		
2012	122.65	95.42	8.69	280.8		
2011 January	123.98	93.19	9.05	263.9		
February	127.17	93.26	8.98	262.1		
March	129.89	93.27	8.96	262.2		
April	134.54	93.28	8.87	261.1		
May	133.87	93.28	8.85	262.5		
June	134.27	93.30	8.83	264.4		
July	133.40	93.32	8.82	265.5		
August	133.91	93.44	8.78	265.6		
September	130.19	94.70	8.72	264.7		
October	130.32	95.17	8.67	265.0		
November	129.20	95.26	8.66	267.3		
December	125.56	95.28	8.69	272.6		
2012 January	122.77	95.29	8.70	272.9		
February	125.99	95.30	8.65	272.7		
March	125.84	95.32	8.66	273.0		
April	125.53	95.33	8.65	274.5		
May	122.19	95.35	8.69	278.1		
June	119.41	95.36	8.76	283.2		
July	117.46	95.38	8.78	285.8		
August	118.07	95.39	8.78	285.8		
September	122.60	95.42	8.70	283.8		
October	123.78	95.38	8.65	285.2		
November	122.54	95.71	8.63	287.3		
December	125.57	95.83	8.58	287.7		
2013 January	127.29	95.94	8.55	287.2		
February	128.24	95.96	8.54	286.8		
March	124.51	95.98	8.56	289.8		
April	124.96	96.04	8.54	290.7		
May	124.75	96.11	8.50	292.7		

Sources: Banco Nacional de Angola and Banco de Portugal calculations.

Notes: (a) Effective exchange rate index (EERI, nominal and real), calculated on the basis of official exchange rates applied to the currencies of the four main trading partners over the period 2005/2009; (b) An increase/decrease in the EERI (nominal or real) corresponds to an appreciation/depreciation of the kwanza.





AREA: 4,033 Km²

CAPITAL CITY: Praia

POPULATION: 502 thousand (2012; source UN)

CURRENCY: Cape Verde escudo

The unfavourable external environment and the fall in domestic demand led to a moderate economic slowdown in Cape Verde in 2012, negatively affecting the public accounts. However, the resulting reduction in goods imports and the ongoing growth in tourism revenue allowed the external accounts and the foreign exchange reserves to improve, assisting monetary policy in defending the exchange rate peg to the euro.

II.2. CAPE VERDE - Overview

The persistent unfavourable economic conditions affecting many of Cape Verde's main trading partners have been leaving their mark on the country's macroeconomic performance. The most significant effects include, as expected, lower inflows in the form of grants, foreign direct investment and emigrant remittances.

This unfavourable external environment has been accompanied by a fall in domestic demand, specifically private demand (consumption and investment), reflecting the reduction in households' disposable income and the downward trend in economic agents' expectations. Current estimates suggest a slowdown in economic growth in 2012 (to 2.5%), spilling over into this year's forecasts, with growth expected to fall to 1.5%.

Table II.2.1.

MAIN ECONOMIC INDICATORS							
	2010	2011	2012 Est.	2013 Prog.			
Real GDP (annual % change)	1.5	4.0	2.5	1.5			
Inflation (average % change)	2.1	4.5	2.5	3.3			
(end-of-period % change)	3.4	3.6	4.1	2.2			
Broad money (annual % change)	5.9	3.6	5.6	6.2			
Current account (% of GDP)	-13.5	-16.3	-11.5	-9.8			
Official reserves (months of imp.)	4.2	3.2	3.8	4.1			
Fiscal balance (% of GDP)	-10.6	-7.7	-9.9	-8.2			
Public debt (% of GDP)	80.4	86.0	94.0				
External	50.8	56.8	64.5				
Domestic	29.5	29.1	29.5				
of which: TCMF ^(a)	8.2	7.7	7.3				

Sources: IMF, BCV, Ministry of Finance (Cape Verde) and Cape Verde National Institute of Statistics.

Note: (a) *Títulos Consolidados de Mobilização Financeira* (consolidated financial mobilisation securities).

Despite the budget containment measures taken by the Cape Verdean authorities, the public accounts in 2012 suffered the consequences of the unfavourable external developments. The main effects were felt in the fall in grants and tax revenues, mainly VAT and taxes on international transactions. Including also the continued implementation of the public investment programme, whose costs increased 9.1%, the budget deficit grew to 9.9% of GDP at the end of the year and, as a result of the financing profile adopted in that programme, external debt rose to 64.5% of GDP.

The lower tax collections resulted above all from falling tax revenue from imports due to the lower prices of certain imported products (mainly food and energy products) and weakened domestic demand. However, that lower volume of imports, in conjunction with the new increase in tourism revenues (to nearly 22% of GDP), gave rise in turn to improvements in the external current account (whose deficit fell to 11.5% of GDP) and to the accumulation of EUR 37 million in foreign exchange reserves, which covered 3.8 months of goods and services imports (3.2 months in 2011).

The higher foreign exchange reserves and the growth of net credit to general government (mainly through use of its deposits in Banco de Cabo Verde (BCV) but also through the net issue of treasuries) have led to accelerated monetary expansion in 2012, to 5.6%. With inflationary pressure at negligible levels (the average inflation rate stood at 2.5%), despite the upward trend of end-of-period inflation during 2012 (falling back in 2013), BCV maintained its policy stance throughout the year, after

tightening in January (raising the reserve requirement ratio and reference rates). Since the last few months of 2012, the banking system has shown a liquidity surplus, reflected in the sharp accumulation of excess reserves, the high demand for securities (from the Treasury and the central bank) and in the recurring and high-volume access to BCV's deposit facility.

The main trends of 2012 continued into 2013. Key among them is the forecast of a further economic slowdown, the continuation of a high budget deficit although at a lower level than in 2012 (the execution of the first quarter has revealed further reductions in tax revenue and in grants, the inverse of that predicted for the year), the continued increase in external public indebtedness (which grew 2% until March of this year) and the improvement of the external accounts (again sustained by the reduction in imports and the increase in tourism revenue).

The main risks that may negatively affect the situation as forecast relate to the possible continuation of the fragile economic conditions in the EU and the possible lower-than-predicted collection of public revenues, which would require more spending cuts from the State or greater financing needs.

In parallel, the fast accumulation of public external debt, in conjunction with the continued uncertainty regarding developments in the global economy, may increase Cape Verde's macroeconomic vulnerability. However, the phasing out of the public investment programme (which has recently been rescheduled, with the Cape Verdean Government postponing what spending it could) and the profile of external debt (typified by long maturities and a high degree of concessionality) mitigate the risks in the short run.

Table A.II.2.1.

		2009	2010	2011	20	12		2013	
		Est.	Est.	Est.	Prog.	Est.	Prog.	Es	t.
OUTPUT AND PRICES									
GDP m.p.	EUR millions	1,232	1,257	1,342	1,488	1,410	1,473		
·	Real % change	-1.3	1.5	4.0	4.3	2.5	1.5		
Inflation (CPI)	E-o-p % change	-0.4	3.4	3.6	2.2	4.1	2.2	0.7	Jul.
	Avg % change	1.0	2.1	4.5	3.3	2.5	3.3	2.6	Jul.
PUBLIC FINANCES									
Total revenue	% of GDP	27.6	28.6	25.6	24.8	22.5	26.9		
Grants	% of GDP	5.5	6.8	2.9	2.5	1.8	3.1		
Total expenditure	% of GDP	33.3	39.0	33.3	32.2	32.4	35.3		
Overall balance (commitment basis)	% of GDP	-5.8	-10.6	-7.7	-7.3	-9.9	-8.2		
Excluding grants	% of GDP	-11.3	-17.4	-10.6	-9.7	-1.2	-11.3		
Domestic debt	% of GDP	28.3	29.5	29.1		29.5		29.0	Mar.
of which: TCMF ^(a)	% of GDP	8.4	8.2	7.7		7.3		7.0	Mar.
MONEY AND CREDIT									
Claims on general government (net)	Annual % change	7.0	-10.3	12.7	10.3	20.3	24.6	12.1	Jun.
Credit to the economy	Annual % change	11.8	12.0	11.8	-0.8	0.1	4.8		Jun.
Broad money (M3)	Annual % change	3.3	5.9	3.6	1.9	5.6	6.2	3.5	Jun.
INTEREST RATES ^(b)									
One-year deposits ^(c)	Annual rate	4.14	4.53	4.22		3.80		4.27	Jun.
Rediscount	Annual rate	7.50	7.50	7.50		9.75		9.75	Jun.
Liquidity provision	Annual rate	8.25	7.25	7.25		8.75		8.75	Jun.
Treasury bills (91 days)	Annual rate	3.59	4.00	4.10		4.06		3.63	Jun.
BALANCE OF PAYMENTS									
Exports (current UDS)	Annual % change	-19.1	46.0	56.0	19.7	-13.1	-2.4		
Imports (current USD)	Annual % change	-12.0	6.2	29.5	1.2	-14.9	-1.5		
Current account	% of GDP	-14.6	-13.5	-16.3	-11.7	-11.5	-9.8		
Excluding official transfers	% of GDP	-19.6	-19.9	-20.0	-14.4	-15.0	-11.9		
Current and capital accounts	% of GDP	-11.9	-11.1	-15.6	-11.1	-10.8	-10.3		
Net international reserves	Months of imports ^(e)	4.2	4.2	3.2	3.1	3.8	4.1	4.2	Jun.
EXTERNAL DEBT									
Total	EUR millions	527.9	638.8	762.5		908.9		928.9	Mar.
	% of GDP	42.8	50.8	56.8		64.5		63.1	
	% of exports ^(e)	128.4	133.1	134.5		149.5		147.9	
Debt service	% of exports ^(e)	5.5	4.7	4.1		4.3			Mar.
EXCHANGE RATES (averages)									
Nominal CVE/EUR	Average rate	110.3	110.3	110	110.3	110.3	110 २	110.3	Jun
Nominal CVE/USD	Average rate	79.4	83.3	79.3	78.2	85.8	84.2	83.6	
Nominal EERI (Index, 100: 2000) ^(d)	Annual % change	0.3	-1.3	0.0	,0.2	0.6	04.2		Jun. (
Real EERI (Index, 100: 2000) ^(d)	Annual % change	1.3	-0.9	0.9		0.3			Jun. (

Sources: Banco de Cabo Verde, Ministry of Finance (Cape Verde), IMF and Banco de Portugal calculations.

Notes: (a) *Titulos Consolidados de Mobilização Financeira* (consolidated financial mobilisation securities) (b) Monthly averages (corresponding to December for annual figures); (c) Average of other monetary institutions; (d) Effective exchange rate index (EERI), calculated on the basis of official exchange rates applied to the currencies of Cape Verde's four main trading partners over the period 2005/09 (appreciation: +; depreciation: -); (e) Imports and exports of goods and services; (f) Change from the previous December.

Table A.II.2.2.

GROSS DOMESTIC PRODUCT Current price	es, CVE <u>m</u>	nillio <u>ns</u>					
	2007	2008	2009	2010	2011	2012 Est.	2013 Proj.
Primary sector	11 101	11 /56	12 077	11 770	12 214	ESU.	Pioj.
Agriculture, livestock and forestry	11,191 9,386	11,456 9,655	12,077 10,043	11,779 9,705	12,214		
Fishing and aquaculture	1,003	786	1,261	1,367			
Mining and quarrying	802	1,014	774	708			
Secondary sector	19,816	24,253	25,398	24,441	25,666		
Food, beverages and tobacco products	2,704	3,365	3,810	3,974	25,000		
Textiles, wearing apparel and leather prod.	2,704	259	260	283			
Other manufactured products	2,574	2,902	2,618	3,270			
Electricity, gas, water	900	1,318	2,125	1,940			
Construction	13,376	16,409	16,584	14,973			
Tertiary sector	74,355	80,511	81,782	84,751	89,645		
Whole. & retail trade, repair of motor vehicles	15,389	15,540	16,833	17,610	05,015		
Transportation and storage	13,590	15,531	14,080	14,971			
Accommodation and food service activities	4,255	4,712	4,653	4,793			
Telecommunications and other IT activities	6,339	6,553	6,837	6,063			
Financial and insurance activities	4,844	6,016	5,316	5,119			
Real estate activities	10,251	11,186	11,232	12,101			
Professional, scient. and technical activities	654	815	676	. 65			
Administrative and support service activities	1,717	1,966	2,136	2,742			
Pub.admin., defence; compul.social secur. ^(a)	15,504	16,181	17,947	19,018			
Education (market activities)	305	436	361	412			
Human health services (market activities)	211	261	370	380			
Outras service atividades	1,296	1,315	1,340	1,476			
GROSS VALUE ADDED	105,362	116,219	119,258	120,970	127,525		
Taxes and subsidies on products	16,612	18,479	16,621	17,598	20,399		
GROSS DOMESTIC PRODUCT (m. p.)	121,974	134,698	135,879	138,569	147,924	155,500	162,400
Consumption	98,067	104,603	111,547	112,865	120,265	112,973	120,614
Public	21,296	22,739	24,708	25,536	27,401	24,970	27,804
Private	76,770	81,864	86,839	87,328	92,864	88,002	92,810
Investment	60,731	65,376	59,501	66,024	70,277	77,113	72,746
Gross fixed capital formation	53,944	57,285	52,337	62,625	69,128	72,162	68,580
Public	10,085	14,828	14,403	23,935			
Private	43,858	42,457	37,934	38,690			
Changes in inventories	6,787	8,091	7,164	3,399	1,149	4,951	4,166
Domestic demand	158,798	169,979	171,048	178,889	190,542	190,086	193,360
Exports of goods and services	38,470	43,242	36,699	40,059	46,555	53,110	54,848
Overall demand	197,268	213,221	207,747	218,948	237,097	243,196	248,208
Imports of goods and services	, 75,294	, 78,523	, 71,867	80,379	89,173	87,696	85,808
Memo items:	,	,	,	,	,		,
Gross domestic savings	22 007	30 005	21 222	25 704	27 650	10 500	A1 70C
Nominal GDPmp (EUR millions)	23,907	30,095 1,222	24,332	25,704	27,659 1,342		41,786
Nominal GDPmp (USD millions)	1,106		1,232	1,257 1,664	1,342		1,473 1,929
GDP deflator (annual % change)	1,513 2.7	1,788 3.5	1,712 2.2	0.5	2.7		1,929
Nominal GDP (annual % change)	12.2	3.5 10.4	2.2 0.9	2.0	2.7 6.8		2.9 4.4
Real GDP (annual % change)	9.2	6.7	-1.3	2.0	0.0 4.0		4.4
Sources: Cape Verde National Institute of Statistics, Banco d						2.5	1.5

Sources: Cape Verde National Institute of Statistics, Banco de Cabo Verde, IMF and Banco de Portugal calculations.

Notes: (a) Includes education and human health services (non-market activities, whose own resources do not cover at least 50% of the costs).

Table A.II.2.3.

		Monthly change [1]	End-of-period change [2]	Averag chang [3]
2001	December		4.14	3.3
2002	December		2.98	1.88
2003	December		-2.28	1.1
2004	December		0.61	-1.8
2005	December		1.80	0.4
2006	December		5.81	4.8
2007	December		3.97	4.4
2008	December		6.69	6.7
2009	December		-0.37	0.9
2010	December		3.43	2.0
2011	December		3.58	4.4
2012	December		4.15	2.5
2012	January	-0.61	2.95	4.4
	February	0.70	2.48	4.3
	March	0.00	2.03	4.1
	April	0.43	1.04	3.7
	May	0.86	2.00	3.5
	June	0.26	1.55	3.1
	July	1.02	2.50	2.9
	August	-0.17	2.15	2.8
	September	0.59	2.23	2.5
	October	0.75	3.62	2.5
	November	-0.17	3.81	2.4
	December	0.42	4.15	2.5
	December (proj.)		4.00	2.6
2013	January	-0.25	4.52	2.6
	February	-0.67	3.11	2.7
	March	-0.50	2.59	2.7
	April	0.17	2.32	2.8
	May	0.00	1.45	2.8
	June	0.00	1.19	2.8
	July	0.50	0.67	2.6
	December (proj.)		2.20	3.3

Sources: Banco de Cabo Verde and Banco de Portugal calculations.

Notes: [1] month (n)/month (n-1); [2] month (n)/month (n) of the previous year; [3] last 12 months/previous 12 months.

Table A.II.2.4.

BALANCE OF PAYMENTS CVE millions							10
	2010 Est.	2011 Est.	Proj.	2012 Q1	Est.	20 [.] Proj.	13 Q1
						-	
1. CURRENT ACCOUNT Trade balance	-18,722	-24,093 -67,206	-19,179 -63,992	-3,776	-17,955	-15,878	688
Exports (f.o.b.) ^(a)	-56,822				-61,629	-59,653	
Imports (f.o.b.)	11,282	16,759	19,775	4,086	15,777	15,106	3,264
Services	-68,104 16,529	-83,965	-83,768	-18,074	-77,406	-74,760	7,865
Exports	41,634	20,448 45,749	23,964 49,341	6,343 12,694	25,907 51,276	28,338 54,140	13,719
of which: Transports	14,321	43,749 11,749	49,541	3,016	11,221	54,140	2,97
Tourism	22,026	27,851	31,106	7,888	33,753	36,718	8,96
Imports	-25,105	-25,300	-25,377	-6,351	-25,368	-25,802	-5,85
of which: Transports	-8,472	-8,953		-2,338	-9,272		-2,14
Tourism	-4,838	-4,579		-855	-4,280		-92
Income	-6,710	-5,798	-4,773	-796	-5,105	-5,513	-95
Exports	1,171	1,124		193	1,067	1,103	15
of which: Extra. interest f/ contrib. TF ^(b)	0	0		0	0		
Income f/ the TF ^(b) (prev. year)	518	486	373	0	373	373	
Imports	-7,881	-6,922		-989	-6,173	-6,616	-1,11
of which: Interest on sched. public debt	-667	-805	-863	-360	-1,151	-1,213	-35
Current transfers	28,281	28,463	25,623	4,665	22,873	20,950	4,94
Official transfers	8,790	5,535	4,417	925	5,339	3,528	84
Private transfers	19,492	22,928	21,207	3,741	17,534	17,422	4,10
of which: Emigrant remittances	10,338	13,381	13,707	3,256	13,506		2,90
2. CAPITAL AND FINANCIAL ACCOUNT	27,944	22,115	18,736	5,144	22,807	17,312	4,48
Capital account	3,311	985	950	338	1,107	-882	12
Capital transfers	3,311	985	950	338	1,107	-882	12
of which: Debt relief	0	0	0	0	0		
Grants to the TF ^(b)	0	0	0	0	0		
Financial account	24,634	21,130	17,786	4,806	21,700	18,194	4,36
Direct investment	9,645	8,312	6,998	1,315	6,009	6,120	1,40
of which: Privatisation receipts to TF $^{(b)}$	0	0		0	0		
Portfolio investment	458	0	0	4	17	0	2
Other transactions	14,531	12,818	10,787	3,486	15,675	12,074	2,94
of which: Disburs. of loans to gen. gov.	16,488	16,043		4,674	18,930	19,737	2,77
Disbursements to the TF $^{(b)}$	0	0		0	0	0	
	-1,832	-1,778		-519	-1,723	-1,875	-35
Scheduled amortisation	-1,052	-1,770		5.5			
Scheduled amortisation Transfers to the TF ^(b)	-1,852	-1,778		0	0	0	
Transfers to the TF $^{(b)}$	0	0	-36	0	-		-3.942
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS	0 -6,969	0 -2,454	-36	0 -931	-826	0	-3,94
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3)	0 -6,969 2,253	0 -2,454 -4,432	-479	0 -931 437	-826 4,026	0 1,433	-3,94 1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING	0 -6,969 2,253 -2,253	0 -2,454 -4,432 4,432	-479 479	0 -931 437 -437	-826 4,026 -4,026	0 1,433 -1,433	-3,94 1,23 -1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -)	0 -6,969 2,253 -2,253 -2,185	0 -2,454 -4,432 3,676	-479 479 479	0 -931 437 -437 -437	-826 4,026 -4,026 -4,026	0 1,433 -1,433 -1,433	-3,94 1,23 -1,23 -1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing	0 -6,969 2,253 -2,253 -2,185 -68	0 -2,454 -4,432 4,432 3,676 756	-479 479 479 0	0 -931 437 -437 -437 0	-826 4,026 -4,026 -4,026 0	0 1,433 -1,433 -1,433 0	-3,94 1,23 -1,23 -1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing of which: Drawings from ACC Facility ^(c)	0 -6,969 2,253 -2,253 -2,185 -68 0	0 -2,454 -4,432 4,432 3,676 756 0	-479 479 479 0 0	0 -931 437 -437 -437 0 0	-826 4,026 -4,026 -4,026 0 0	0 1,433 -1,433 -1,433 0 0	-3,94; 1,23 ! -1,23! -1,23! (
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing of which: Drawings from ACC Facility ^(c) Reimb. of ACC Facility ^(c)	0 -6,969 2,253 -2,253 -2,185 -68 0 0	0 -2,454 -4,432 3,676 756 0 0	-479 479 479 0 0	0 -931 437 -437 -437 0 0 0	-826 4,026 -4,026 -4,026 0 0 0	0 1,433 -1,433 -1,433 0 0 0	-3,94: 1,23 : -1,23: -1,23:
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing of which: Drawings from ACC Facility ^(c) Reimb. of ACC Facility ^(c) Change in arrears (increase: +)	0 -6,969 2,253 -2,253 -2,185 -68 0 0 0 -68	0 -2,454 -4,432 3,676 756 0 0 756	-479 479 0 0 0 0	0 -931 437 -437 -437 0 0 0 0	-826 4,026 -4,026 -4,026 0 0 0 0	0 1,433 -1,433 -1,433 0 0 0 0	-3,94 1,23 -1,23 -1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing of which: Drawings from ACC Facility ^(e) Reimb. of ACC Facility ^(e) Change in arrears (increase: +) 6. FINANCING GAP ^(d) : (4)+(5)	0 -6,969 2,253 -2,253 -2,185 -68 0 0	0 -2,454 -4,432 3,676 756 0 0	-479 479 479 0 0	0 -931 437 -437 -437 0 0 0	-826 4,026 -4,026 -4,026 0 0 0	0 1,433 -1,433 -1,433 0 0 0	-3,94 1,23 -1,23 -1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing of which: Drawings from ACC Facility ^(c) Reimb. of ACC Facility ^(c) Change in arrears (increase: +) 6. FINANCING GAP ^(d) : (4)+(5) Memo items:	0 -6,969 2,253 -2,253 -2,185 -68 0 0 -68 0	0 -2,454 -4,432 3,676 756 0 0 756 0	-479 479 0 0 0 0 0 0	0 -931 437 -437 -437 0 0 0 0	-826 4,026 -4,026 -4,026 0 0 0 0 0 0	0 1,433 -1,433 -1,433 0 0 0 0 0 0	-3,94 1,23 -1,23 -1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing of which: Drawings from ACC Facility ^(c) Reimb. of ACC Facility ^(c) Change in arrears (increase: +) 6. FINANCING GAP ^(d) : (4)+(5) <i>Memo items:</i> Current account (% of GDP)	0 -6,969 2,253 -2,253 -2,185 -68 0 0 0 -68	0 -2,454 -4,432 3,676 756 0 0 756	-479 479 0 0 0 0	0 -931 437 -437 -437 0 0 0 0	-826 4,026 -4,026 -4,026 0 0 0 0	0 1,433 -1,433 -1,433 0 0 0 0	-3,94 1,23 -1,23 -1,23
Transfers to the TF ^(b) 3. ERRORS AND OMISSIONS 4. OVERALL BALANCE: (1)+(2)+(3) 5. FINANCING Change in internat. reserves (increase: -) Exceptional financing of which: Drawings from ACC Facility ^(c) Reimb. of ACC Facility ^(c) Change in arrears (increase: +) 6. FINANCING GAP ^(d) : (4)+(5) Memo items:	0 -6,969 2,253 -2,253 -2,185 -68 0 0 -68 0	0 -2,454 -4,432 3,676 756 0 0 756 0	-479 479 0 0 0 0 0 0	0 -931 437 -437 -437 0 0 0 0	-826 4,026 -4,026 -4,026 0 0 0 0 0 0	0 1,433 -1,433 -1,433 0 0 0 0 0 0	-3,94 1,23 -1,23 -1,23

Sources: Banco de Cabo Verde, IMF and Banco de Portugal calculations.

Notes: (a) Includes sales of fuel to ships and re-exports; (b) Offshore fund (Trust Fund) to support the conversion of domestic debt; (c) Foreign exchange cooperation agreement (Acordo de Cooperação Cambial) between Portugal and Cape Verde; (d) Net lending (+)/net borrowing (-); (e) Net external assets of Banco de Cabo Verde and imports of goods and services in the year.

Table A.II.2.5.

MERCHANDISE E	XPORTS	Destinati	ons as a	percenta	ge of tot	al export	s		
	2005	2006	2007	2008	2009	2010	2011	2012	2005 to 2012
Germany	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Netherlands	0.6	0.6	0.2	0.5	0.5	0.3	0.2	0.2	0.3
Portugal	51.6	49.8	58.3	40.6	33.5	22.7	18.0	16.0	31.5
Spain	21.3	27.3	20.9	37.1	61.8	72.6	70.2	76.3	54.7
United States	12.3	1.4	1.4	0.4	1.2	1.6	0.5	1.3	2.1
Other	14.1	20.9	19.2	21.4	3.1	2.8	11.1	6.2	11.4
Total exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Banco de Cabo Verde, IMF and Banco de Portugal calculations.

Table A.II.2.6.

MERCHANDISE IN	/IPORTS	Origins a	s a perce	ntage of	total imp	ports			
	2005	2006	2007	2008	2009	2010	2011	2012	2005 to 2012
Brazil	8.0	6.4	6.3	5.7	4.5	3.7	2.7	4.0	4.8
Germany	0.7	1.1	1.4	1.6	2.3	0.4	0.5	1.0	1.1
Netherlands	15.7	11.2	16.3	17.0	16.7	16.8	19.1	15.0	16.3
Portugal	45.6	50.2	45.2	50.3	48.3	51.4	44.7	48.2	48.0
Spain	7.6	5.6	4.5	7.3	9.8	10.6	9.9	7.2	8.0
United States	2.7	1.4	1.2	0.9	1.0	1.6	0.9	5.3	1.9
Other	19.6	24.1	25.1	17.3	17.3	15.4	22.0	19.3	19.9
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Banco de Cabo Verde, IMF and Banco de Portugal calculations.

Table A.II.2.7.

PUBLIC DEBT CVE millions							
	2007	2008	2009	2010 Est.	2011 Est.	2012 Est.	Mar-13 Est.
TOTAL EXTERNAL DEBT	48,664	51,880	58,210	70,433	84,074	100,223	102,424
Multilateral creditors	40,391	42,248	46,185	48,274	49,777	51,031	52,396
Bilateral creditors	8,273	9,632	12,026	22,159	34,297	49,192	50,028
Governo	5,608	7,375	9,846	13,369	18,131	21,929	21,354
Outros	2,665	2,257	2,179	8,790	16,166	27,263	28,675
TOTAL DOMESTIC DEBT	38,991	36,492	38,519	40,907	43,106	45,934	47,092
of whic Treasury bills	4,285	3,005	1,730	600	1,550	680	392
Treasury bonds	21,207	20,182	23,870	27,369	28,609	32,254	33,699
Banking system	16,082	13,421	14,379	15,162	17,236	17,429	19,076
Non-banking system	11,520	11,682	12,752	14,356	14,482	17,117	16,627
TCMF ^(a)	11,389	11,389	11,389	11,389	11,389	11,389	11,389
				(% of GDP)			
Total external debt	39.9	38.5	42.8	50.8	56.8	64.5	63.1
Total domestic debt (excluding TCMF)	22.6	18.6	20.0	21.3	21.4	22.2	22.0
TCMF	9.3	8.5	8.4	8.2	7.7	7.3	7.0
Total domestic debt (including TCMF)	32.0	27.1	28.3	29.5	29.1	29.5	29.0
			(% of export	ts of goods an	od services)		
Total external debt	105.9	97.3	128.4	133.1	134.5	149.5	147.9
Medium and long-term debt service	5.1	4.6	5.5	4.7	4.1	4.3	4.5

Sources: Banco de Cabo Verde, Ministry of Finance of Cape Verde, IMF and Banco de Portugal calculations.

Notes: (a) Títulos Consolidados de Mobilização Financeira (consolidated financial mobilisation securities).

Table A.II.2.8.

	2010	2011		201	2			2013	
	Est.	Est.	Budg.	Q1	Est.	I.e. ^(a)	Budg.	Q1	I.e. (
I. TOTAL REVENUE	39,679	37,915	40,737	8,426	35,050	86.0	43,707	8,434	19
1.1. Current revenue	30,239	33,573	36,709	8,072	32,282	87.9	38,738	8,107	20
Taxes	26,241	29,581	32,092	7,111	27,515	85.7	32,513	6,713	
Income taxes	7,892	8,678	9,698	, 2,438	8,626	89.0	9,809	2,321	23
Taxes on goods and services	12,015	13,840	15,121	3,027	12,443	82.3	15,486	2,968	19
of which: VAT	10,521	11,603	12,756	2,578	10,402	81.5	12,844	2,396	18
Taxes on international trans.	5,634	6,228	6,227	1,476	5,778	92.8	6,222	1,267	20
Other taxes	701	835	1,046	170	667	63.8	996	157	1
Social contributions	42	37	12	6	13	106.4	6	1	1.
Transfers (Public admin.)	0	0	0	0	0		0	6	-
Other revenue	3,956	3,956	4,604	955	4,755	103.3	6,219	1,393	22
1.2. Grants	9,440	4,342	4,028	355	2,768	68.7	4,966	327	
1.3. Transf. f/ state owned enterp. ^(b)	0	0	0	0	0		4	0	(
. TOTAL EXPENDITURE ^(C)	54,060	49,214	52,850	10,448	50,412	95.4	57,315	10,011	1.
2.1. Current expenditure ^(d)	33,099	34,329	38,291	7,426	34,178	89.3	39,740	7,644	1
of which: From invest. Projects	5,602	5,515	6,098	702	4,359	71.5	6,842	722	
Compensation of employees	14,810	15,679	17,233	3,713	15.811	91.8	17,768	3,770	
Goods and services	5,171	5,248	6,726	563	4,498	66.9	6,828	599	
Interest	2,173	2,276	2,866	788	2,866	100.0	, 3,681	705	1
of which: Domestic debt	1,460	1,425	1,715	429	1,715	100.0	1,850	314	1
External debt	699	852	1,151	360	1,151	100.0	1,753	390	2.
Subsidies	752	994	348	21	274	78.9	450	38	
Transfers	4,939	4,309	4,475	893	4,057	90.7	4,637	926	2
Social benefits	2,893	3,715	4,007	959	3,916	97.7	3,852	1,015	2
Other expenditure	2,362	2,107	2,636	304	2,401	91.1	2,524	301	1
of which: Scholarships	455	465	469	84	433	92.4	465	111	2.
2.2. Investment programme	20,961	14,885	14,559	3,022	16,234	111.5	17,575	2,366	1.
. NON-FINANCIAL ASSETS: (3.1-3.2)	248	27	-149	2	48	-32.4	-262	0	
3.1. Purchase of non-financial assets	252	97	135	2	48	35.8	88	0	
3.2. Sale of non-financial assets	4	70	284	0	0	0.0	350	0	
. CURRENT BALANCE: (1.1-2.1)	-2,860	-755	-1.582	645	-6,663		-1.003	462	
. OVERALL BAL. excl. grants: (1-2-3-1.2)			-15,992		-1,895		-18,312		
• • •			-11,964						
(commitment basis)	-14,029	-11,525	-11,904	-2,024	-15,410		-13,346	-1,577	-
. FINANCING	14 620	11,325	11 064	2 210	15,410		13,346	2,580	
7.1. Financial assets									-
	-1,445	-5,350	-3,115	-2,277	-6,427		-13,841		-
Loan repaym. to state ow. enterp.	29	58	23	0	9		238	0	-
Loans to state owned enterprises	-1,459	-5,362		-2,217	-5,392		-11,516		
Shares and other equity	-15	-46	-1,000	-60	-1,044		-1,500	0	
Other financial assets	0	0	0	0	0		-1,062	0	
7.2. Financial liabilities	16,075	16,676	15,078	4,486	21,837		27,187	3,582	-
External (net)	14,524	14,237	15,283	3,911	17,225		24,488	2,631	-
Disbursements	16,498	16,052	16,866	4,430	18,948		26,488	3,254	-
Amortisation	-1,975	-1,815	-1,582	-519	-1,723		-2,001	-623	-
Domestic (net)	1,551	2,439	-205	576	4,612		2,699	951	-
Banking system	-1,936		2,207	1,534	3,849		5,613	1,441	-
Other	3,486		-2,412	-959	763		-2,914	-490	-
B. FIN. GAP/DISCREPANCY ^(e) : (6+7)	0	0	2,112	186	0		2,511	1,002	

Sources: Banco de Cabo Verde, Ministry of Finance of Cape Verde, IMF and Banco de Portugal calculations.

Notes: (a) Level of budget execution (%); (b) Share of capital expenditure of public enterprises (usually to finance infrastructures related to the activities of these enterprises); (c) Includes expenditure on arrears and expenditure that is not classified; (d) Includes values to settle in 2011 and 2012; (e) Net borrowing (+)/net lending (-).

Table A.II.2.9.

MONETARY SURVEY CVE millions															
	2008	2009	2010	2011	2011/2010	2010	2012	2	2012/2011	2011	2013 <i>2013p/2012</i>	2013p	/2012	2013	2013
	Est.	Est.	Est.	Est.	[1]	[2]	Prog.	Est.	[1]	[2]	Prog.	[1]	[2]	Mar	Jun
FOREIGN ASSETS (net)	28,924	28,442	29,417	23,060	-21.6	-5.7	24,327	27,595	19.7	3.9	29,420	6.6	1.5	26,989	30,027
Foreign assets	31,184	31,064	33,686	26,810	-20.4	-6.2		28,949	8.0	1.8				28,297	31,282
Banco de Cabo Verde	30,903	30,445	32,505	28,837	-11.3	-3.3		32,861	14.0	3.5				34,100	34,900
Net foreign assets	30,686	30,242	32,427	28,752	-11.3	-5.3 5.3	28,272	32,778	14.0	3.5	34,450	5.1	1.4	34,013	34,815
Other assets (net)	217	203	78	86	10.1	0.0		83	-2.8	0.0				86	85
Commercial banks	281	619	1,181	-2,028	ł	-2.9		-3,913	93.0	-1.6				-5,803	-3,618
Medium and long-term liabilities	-2,260	-2,622	-4,269	-3,750	-12.2	0.5		-1,354	-63.9	2.1				-1,308	-1,255
DOMESTIC ASSETS (net)	73,165	77,010	82,245	92,589	12.6	9.3	93,550	94,547	2.1	1.7	100,265	6.0	4.7	95,598	96,395
Total domestic credit	84,224	93,324	100,330	112,326	12.0	10.7	113,502	116,260	3.5	3.4	126,319	8.7	8.2	116,915	118,417
Net claims on general government	17,551	18,784	16,848	18,992	12.7	1.9	20,954	22,841	20.3	3.3	28,454	24.6	4.6	24,282	25,611
of which: on Central government	6,806	7,528	5,954	8,362	40.4	2.2		12,176	45.6	3.3	16,468	35.3	3.5	14,208	14,335
investment in TCMF ^(a)	11,038	11,339	11,597	10,802	-6.9	-0.7		11,499	6.4	0.6	11,499	0.0	0.0	11,398	11,432
Credit to the economy	66,673	74,540	83,481	93,334	11.8	8.8 0.0	92,548	93,419	0.1	0.1	97,865	4.8	3.6	92,633	92,806
Public enterprises	282	189	174	863	395.1	0.6		824	-4.5	0.0				813	769
Private sector	66,390	74,351	83,307	92,471	11.0	8.2		92,595	0.1	0.1				91,820	92,037
Credit to NMFI	0	0	0	0	ł	I	0	0	ł	ł	0	I	I	0	0
Other items (net)	-11,059	-16,314	-18,085	-19,737	-9.1	-1.5	-19,952	-21,713	-10.0	-1.7	-26,054	-20.0	-3.6	-21,317	-22,021
TOTAL ASSETS	102,089	105,452	111,662	115,649	3.6	I	117,877	122,142	5.6	ł	129,685	6.2	I	122,587	126,423
BROAD MONEY	102,089	105,452	111,662	115,649	3.6	3.6	117,877	122,142	5.6	5.6	129,685	6.2	6.2	122,587	126,423
Base money	25,952	26,830	25,922	24,439	-5.7	I		32,574	33.3	7.0	33, 791	3.7	1.0	33, 754	33,987
Currency in circulation	8,713	8,362	8,514	8,376	-1.6	-0.1		7,895	-5.8	-0.4	7,553	-4.3	-0.3	7,015	7,391
Demand deposits in national currency	33,458	31,505	35,050	31,113	-11.2	-3.5		33,099	6.4	1.7	40,416	22.1	6.0	33,906	36,716
Quasi-money	59,918	65,585	68,098	76,159	11.8	7.2		81,148	6.6	4.3	81,715	0.7	0.5	81,666	82,316
TOTAL LIABILITIES	102,089	105,452	111,662	115,649	3.6	I	117,877	122,142	5.6	ł	129,685	6.2	I	122,587	126,423
Sources: Banco de Cabo Verde, IMF and Banco de Portugal calculations.	ortugal calcula	ttions.													

Sources: Banco de Cabo Verde, IMF and Banco de Portugal calculations. Notas: (a) Offshore fund (Trust Fund) to support the conversion of domestic debt by issuing Titulos Consolidados de Mobilização Financeira (consolidated financial mobilisation securities). [1] Change from the end of the previous year; [2] Change in per cent of the initial stock of money supply (expansion/contraction determinants).

Cape Verde

Table A.II.2.10.

	2007	2008	2009	2010	2011	2012	2013	2013
	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun
Lending rates								
7-30 days	12.84	11.59	12.99	13.91	9.33	12.81	12.17	10.96
31-90 days	9.79	11.80	12.09	11.55	9.38	11.89	12.14	13.66
91-180 days	10.78	10.17	11.26	11.80	9.04	10.15	10.08	10.16
181 days - 1 year	9.83	9.33	9.30	9.04	9.52	9.31	9.48	9.18
1 - 2 years	11.81	11.82	10.69	10.08	10.13	10.04	10.91	10.60
2 - 5 years	12.03	11.15	10.84	10.05	10.07	10.47	10.40	10.1
5 - 10 years	10.71	10.27	10.20	10.23	9.55	9.51	9.28	9.42
Over 10 years	10.77	10.43	10.12	9.83	9.22	8.84	8.80	8.8
Overdraft	16.04	15.38	14.95	15.72	16.27	16.30	16.55	16.5
Deposit rates								
Residents								
7 - 30 days	4.10	3.06	3.01	2.94	2.91	3.35	3.39	3.3
31 - 90 days	3.05	2.83	3.40	3.39	3.40	4.07	4.37	3.9
91 - 180 days	3.69	3.85	4.26	4.10	4.04	3.99	3.93	3.9
181 days - 1 year	4.16	4.15	4.14	4.53	4.22	3.80	4.27	4.2
1 - 2 years	4.17	4.19	4.47	4.14	4.67	4.85	5.18	5.4
Non-residents								
7 - 30 days	2.25	2.21	1.62	2.98	2.98	2.06	2.20	2.1
31 - 90 days	3.56	3.81	1.81	2.88	3.13	4.73	4.27	4.4
91 - 180 days	3.99	3.99	3.52	3.92	3.76	3.77	4.03	3.8
181 days - 1 year	4.31	4.19	3.96	3.91	3.98	3.42	4.01	4.0
1 - 2 years	4.08	4.14	4.59	4.66	4.72	5.10	5.29	5.6
Emigrants								
7 - 30 days	3.70	3.42	3.49	3.49	3.49	1.76	1.77	1.7
31 - 90 days	3.41	3.43	3.48	3.51	3.52	5.56	5.49	5.4
91 - 180 days	4.20	4.13	4.08	4.10	4.22	4.04	4.45	4.3
181 days - 1 year	4.33	4.32	3.71	4.14	4.17	3.69	4.15	4.1
1 - 2 years	4.36	4.25	4.44	4.93	4.99	5.48	5.63	5.6
Reference rates								
BCV instruments								
Rediscount	8.50	7.50	7.50	7.50	7.50	9.75	9.75	9.7
Liquidity provision	7.50	8.25	8.25	7.25	7.25	8.75	8.75	8.7
Liquidity absorption	1.00	2.75	2.75	1.75	1.75	3.25	3.25	3.2
Treasury bills								
91 days		3.40	3.59	4.00	4.10			3.6
182 days	3.49	20	2.00		4.19			2.0
364 days	3.49					4.50		
Memo item:								
Inflation (e-o-p % change)	3.97	6.69	-0.37	3.43	3.58	4.15	2.59	1.1

Soures: Banco de Cabo Verde (BCV) and Banco de Portugal calculations.

Notes: Lending and deposit rates shown refer to effective interest rates by calculating average rates weighted by the amounts of credit/investments regarding lending/deposit operations applied to residents, non-residents and emigrants.

Table A.II.2.11.

EXCHANGE RATES Averag	je rates		
		EERI ^(a)	
	CVE/USD	Index, 100:	2000
		Nominal	Real
2001	123.21	101.59	100.47
2002	117.26	103.41	100.2
2003	97.80	105.53	99.6
2004	88.74	105.91	95.6
2005	88.65	104.42	92.3
2006	87.93	103.67	94.3
2007	80.62	103.47	96.1
2008	75.34	103.46	99.7
2009	79.38	103.75	101.0
2010	83.28	102.45	100.1
2011	79.28	102.43	101.0
2012	85.84	103.00	101.3
2012			
January	85.58	102.38	99.7
February	83.47	102.26	100.0
March	83.51	102.57	99.3
April	83.77	102.80	99.5
May	86.01	103.10	100.8
June	88.02	103.19	101.4
July	89.69	102.96	101.9
August	89.05	103.04	101.8
September	85.89	103.31	102.2
October	85.01	103.39	102.7
November	85.98	103.44	102.9
December	84.10	103.66	103.4
2013			
January	83.09	103.58	103.9
February	82.45	103.40	102.9
March	84.95	103.20	100.8
April	84.81	103.31	100.9
May	84.92	103.41	100.9
June	83.64	104.04	101.4

Cape Verde Cape Verde

Sources: Banco de Cabo Verde and Banco de Portugal calculations.

Notes: (a) Effective exchange rate index (EERI), calculated on the basis of official exchange rates applied to

the currencies of Cape Verde's four main trading partners over the period 2005-2009 (appreciation: +; depreciation: -).



AREA: 36,125 Km²

CAPITAL CITY: Bissau

POPULATION: 1.7 million (2012; source: UN)

CURRENCY: CFA franc

Guinea-Bissau's economy is expected to present a modest recovery, after contracting in 2012. Exports and the renewed involvement of its development partners are likely to be the main drivers of growth. An adjustment should be made to improve public finances and external accounts. Inflation remains at low levels, due to the exchange rate stability resulting from the country's membership of the CFA franc zone.

II.3. GUINEA-BISSAU – Overview

The most recent developments in Guinea-Bissau's economy, namely those following the April 2012 political crisis, have not been particularly favourable: in 2012 GDP deteriorated (-1.5%) for the first time since 2002.

Political events not only directly affected the functioning of the economy, but also led to the suspension or cancellation of international cooperation programmes, with obvious negative effects on employment and income.

Exports declined by around 50% (chiefly due to a sharp fall in revenue from cashew sales, which account for around 90% of exports), leading to the deterioration of the current account, whose deficit is estimated to have reached 5.8% of GDP in 2012. The slowdown in economic activity also fuelled a marked drop in imports, which however was not enough to offset the fall in export earnings.

Table II.3.1.

MAIN ECONOMIC INDICATORS					
	2009	2010	2011	2012 Est.	2013 Proj.
Real GDP (annual % change)	3.4	4.5	5.3	-1.5	3.5
Inflation (average % change)	-2.8	2.3	5.0	2.1	2.6
Broad money (annual % change)	6.8	29.6	39.1	-5.2	3.1
Current account (% of GDP)	-5.7	-8.4	-1.1	-5.8	-5.2
Fiscal balance (% of GDP)	3.7	-0.2	-1.4	-2.8	-0.1
External debt (% of GDP)	129.0	22.4	21.3	25.2	27.0

Sources: BCEAO branch in Guinea-Bissau and International Monetary Fund.

Turning to positive developments, prices performed satisfactorily. Inflation continued the downward trend seen since mid-2011 and its rate is likely to stand below the projected level of 2.6%, considering that average inflation stood at 1.7% in the year to June.

In 2013 output is expected to pick up, although its real growth rate (estimated at 3.5%) will be lower than in 2010 and 2011, when the economy of Guinea-Bissau was able to move in tandem with regional dynamics, recording growth rates of around 5%. This enabled some progress, in particular in per capita income.

The primary sector continues to be the most important of Guinea-Bissau's economic structure, accounting for around 46% of GDP in 2012. Output in this sector remained unchanged (in nominal terms) from the previous year as the fall in the cashew harvest was to some extent offset by higher production of other agricultural products.

As regards public finances, there was a fall in current revenue (both in absolute terms and as a percentage of GDP), as well as in grants. These developments led to a deterioration of the fiscal balance, although public investment expenditure in 2012 fell by more than half compared with the level recorded in 2011. The government deficit in 2012 accounted for around 2.8% of GDP, i.e. double the figure recorded in 2011, contrasting with more favourable developments in the previous years.

As a result of these dynamics, Guinea-Bissau's external debt (which had decreased significantly in 2010 due to the implementation of the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI)) deteriorated further, currently accounting for 25% of GDP.

The deterioration of the deficit also led to a strong rise in (net) bank credit to the government, which after having increased by more than 90% in 2012, continued to rise in the first half of 2013. By contrast, credit to the economy remained relatively anaemic (increasing only by 3.5% in the first six

months of 2013). Broad money, which had contracted in 2012, mirroring the strong fall in external assets, expanded by around 12% in the first half of 2013, as a result of the government's increasing recourse to bank credit. Actual developments in these monetary variables have deviated somewhat from the figures initially projected for the current year, which pointed in particular to a reduction of credit to the government and higher buoyancy of credit to the economy.

Table A.II.3.1.

MAIN ECONOMIC INDICATORS									
		2009	2010	2011	20	12		2013	
			Est.	Est.	Prog.	Est.	Prog.	Est.	
OUTPUT AND PRICES									
Nominal GDP	EUR millions	595.3	638.0	709.0	761.8	715.0	763.8		
Real GDP	Annual % change	3.4	4.5	5.3	2.5	-1.5	3.5		
Inflation (CPI)	E-o-p % change	-6.3	5.6	3.4	5.0	1.7		0.5	Jun
	Avg. % change	-2.8	2.3	5.0	3.3	2.1	2.6	1.7	Jun
PUBLIC FINANCES									
Total revenue	% of GDP	25.0	20.2	18.7	17.3	15.1	14.7		
Total expenditure	% of GDP	21.3	20.4	20.1	19.2	17.9	14.8		
Overall balance	% of GDP	3.7	-0.2	-1.4	-1.9	-2.8	-0.1		
Overall balance without grants	% of GDP	-12.2	-9.8	-8.8	-8.9	-8.1	-4.5		
Money and credit									
Net claims on government	Annual % change	-114.0	-353.4	183.3	-81.3	91.4	-8.6	23.9	Jun ^(d)
Credit to the economy	Annual % change	24.9	56.4	48.3	10.1	27.2	14.6		Jun ^(d)
Broad money (M2)	Annual % change	6.8	29.6	39.1	-8.1	-5.2	3.1	11.6	Jun ^(d)
INTEREST RATES									
Deposit (1-year)	Annual rate	3.0	3.0	3.0	3.0	3.0	3.0	3.0	Jul
Lending (1-year)	Annual rate	10.0	11.0	11.0	11.0	11.0	11.0	11.0	Jul
BALANCE OF PAYMENTS									
Exports f.o.b. (USD)	Annual % change	-5.1	4.0	91.3	-25.3	-47.1	25.5		
Imports f.o.b. (USD)	Annual % change	1.0	-2.3	29.0	-16.7	-25.2	19.3		
Current account	% of GDP	-5.7	-8.4	-1.1	-6.9	-5.8	-5.2		
Current acc. excl. official transf. ^(a)	% of GDP	-13.0	-10.8	-4.5	-9.8	-9.3	-9.0		
EXTERNAL DEBT									
Total stock	USD millions	1,066.7	189.3	210.9	189.0	232.4	270.3		
	% of GDP	129.0	22.4	21.3	17.8	25.2	27.0		
	% of exports ^(b)	907.5	157.6	81.9	102.9	162.3	123.5		
Debt service	% of exports ^(b)	16.0	766.4	0.6	0.3	1.7	1.7		
EXCHANGE RATES									
USD / CFA franc (official market)	Average rate	472.2	495.4	469.3		507.6		494.1	Jul
Nominal EERI (Index, 100: 2000) ^(c)	Annual % change	2.2	-4.2	2.9		2.2		4.0	Jul ^(d)
Real EERI (index: 100: 2000) ^(c)	Annual % change	-1.2	-6.3	2.8		0.7		7.2	Jun ^(d)

Sources: BCEA0 branch in Guinea-Bissau, IMF and Banco de Portugal calculations.

Notes: (a) Official transfers exclude revenue from fishing licences; (b) Exports of goods and services; (c) Effective exchange rate index (EERI), calculated on the basis of official exchange rates applied to the currencies of Guinea-Bissau's four main trading partners over the period 2005/12; (d) Changes from the previous December.

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Table A.II.3.2.

GROSS DOMESTIC PRODUCT Current pri	ices, billions	of CFA francs			
	2009	2010	2011 Est.	2012 Est.	2013 Proj.
Primary sector	170.4	188.7	211.4	216.0	229.0
Agriculture, forestry and fishing	170.4	188.7	211.4	216.0	229.0
Secondary sector	49.9	53.2	57.2	56.4	61.5
Industry ^(a)	46.7	48.5	51.9	51.3	56.2
Construction	3.2	4.7	5.2	5.1	5.3
Tertiary sector	150.8	153.1	170.7	171.2	183.6
Trade, restaurants and hotels	80.1	74.6	83.5	80.8	86.7
Transportation and communication	15.9	16.9	18.9	18.0	20.2
Public administration	40.5	46.3	51.3	54.8	58.1
Banking, insurance and other services	14.3	15.3	16.9	17.6	18.6
Gross Domestic Product (at factor costs)	371.1	395.0	439.2	443.6	474.1
Indirect taxes	19.4	23.5	25.9	25.3	26.9
Gross Domestic Product (market prices)	390.5	418.5	465.1	469.0	501.0
Consumption	429.3	454.0	470.0	497.9	514.2
Public	54.0	57.5	58.7	61.6	64.7
Private	375.3	396.5	411.3	436.3	449.5
Investment	24.6	28.1	33.8	30.4	34.2
Public	17.1	18.1	19.4	17.7	19.9
Private	7.5	10.0	14.4	12.7	14.3
Domestic demand	453.9	482.1	503.8	528.3	548.3
Exports	73.0	84.5	134.9	88.2	109.5
Total demand	526.9	566.6	638.7	616.5	657.8
Imports	136.5	148.1	173.6	147.5	156.8
Memo items:					
Gross domestic savings	-38.9	-35.5	-4.8	-28.9	-13.1
Nominal GDPmp (USD millions)	826.9	844.7	991.1	923.8	1,001.2
GDPmp deflator (annual % change)	-2.4	2.6	5.5	2.4	3.2
Nominal GDPmp (annual % change)	0.9	7.2	11.1	0.8	6.8
Real GDPmp (annual % change)	3.4	4.5	5.3	-1.5	3.5

Sources: BCEA0 branch in Guinea-Bissau and Banco de Portugal calculations.

Notes: (a) Includes electricity and water.

Table A.II.3.3.

CONS	UMER PRICE	INDEX Per cent			
		Monthly change [1]	Cumulative change [2]	Year-on-year change [3]	Average change [4]
2001	December		-1.9	-1.9	3.3
2002	December		2.5	2.5	3.3
2003	December		0.7	0.7	-3.5
2004	December		2.9	2.9	0.8
2005	December		0.3	0.3	3.4
2006	December		3.2	3.2	2.0
2007	December		9.3	9.3	4.6
2008	December		8.7	8.7	10.4
2009	December		-6.3	-6.3	-2.8
2010	December		5.6	5.6	2.3
2011	December		3.4	3.4	5.0
2012	December		1.7	1.7	2.1
2011	January	1.4	1.4	5.3	2.8
	February	-0.8	0.6	4.1	3.1
	March	0.6	1.2	5.0	3.5
	April	1.1	2.3	6.0	3.9
	May	1.2	3.5	7.0	4.4
	June	0.9	4.5	7.2	4.9
	July	-0.2	4.3	6.7	5.3
	August September	-0.5 0.4	3.8 4.2	4.4 4.8	5.4 5.5
	October	-1.4	2.7	3.5	5.4
	November	0.3	3.0	3.3	5.2
	December	0.3	3.4	3.4	5.0
2012	January	0.2	0.2	2.1	4.8
2012	February	0.1	0.4	3.1	4.7
	March	-0.3	0.0	2.2	4.5
	April	0.9	0.9	2.0	4.1
	May	1.4	2.3	2.2	3.7
	June	0.5	2.8	1.7	3.3
	July	-0.3	2.5	1.6	2.8
	August	0.2	2.7	2.2	2.7
	September	0.4	3.0	2.2	2.4
	October	-1.3	1.7	2.3	2.4
	November December	0.3	2.0	2.3	2.3
2012		-0.3 0.1	1.7 0.1	1.7 1.6	2.1 2.1
2013	January				
	February March	0.3 0.0	0.4 0.4	1.7 2.1	2.0 2.0
	April	0.5	0.9	1.7	1.9
	May	0.4	1.3	0.7	1.8
	June	0.3	1.5	0.5	1.7

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Sources: BCEAO branch in Guinea-Bissau and Banco de Portugal calculations.

Notes: [1] month (n) / month (n-1); [2] month (n) / previous December; [3] month (n) / month (n) of the previous year; [4] last 12 months / previous 12 months.

Table A.II.3.4.

	2009	2010	2011	20 1	12	201
			Est.	Proj.	Est.	Pro
urrent account	-22.4	-35.0	-5.3	-34.5	-27.4	-26
Excluding official transfers ^(a)	-50.6	-45.3	-21.1	-49.1	-43.4	-45
Trade balance	-38.1	-34.6	-5.5	-42.5	-31.6	-32
Exports (f.o.b.)	57.4	62.7	114.2	86.4	65.3	79
of which: Cashews	46.8	51.8	104.4	73.6	59.3	65
Imports (f.o.b.)	-95.5	-97.3	-119.7	-128.9	-96.9	-111
Services	-25.4	-29.0	-31.9	-23.0	-28.4	-29
Income	-5.2	-1.1	-6.0	-0.2	-4.6	-2
of which: scheduled interest	-5.4	-0.9	-0.3	-0.2	-0.4	-C
Current transfers	46.3	29.7	32.4	31.2	33.0	36
Public	31.2	15.5	15.8	14.6	15.9	18
of which: balance of payments support	28.5	9.4	8.7	6.2	9.1	12
of which: fishing revenue	3.0	5.2	7.1	8.3	0.0	C
Private	15.1	14.2	16.6	16.7	17.0	17
apital and financial account	32.0	49.3	22.1	34.4	-3.0	24
Borrowing	-2.2	-450.8	9.4	2.8	4.9	2
Disbursements	8.5	4.7	9.4	2.9	5.1	5
of which: Projects	8.5	4.7	9.4	2.9	5.1	5
Scheduled amortisation	-10.7	-455.5	0.0	-0.1	-0.2	-0
Capital transfers and FDI (net)	32.6	494.7	26.0	33.8	16.2	8
of which: Debt relief	0.0	454.1	0.0	0.0	0.0	C
Short-term capital, errors and omissions	1.6	5.4	-13.3	-2.2	-24.1	11
verall balance	9.6	14.3	16.8	-0.1	-30.4	-2
inancing	-9.6	-14.3	-16.8	0.1	30.4	2
Change in official reserves (increase: -) ^(b)	-8.4	-11.4	-31.0	0.1	34.1	2
Change in arrears (decrease: -)	-1.2	-2.9	-14.2	0.0	-3.7	(

Sources: BCEA0 branch in Guinea-Bissau, IMF and Banco de Portugal calculations.

Notes: (a) Revenue from fishing licences is not considered official transfers; (b) Includes the effects of exchange rate fluctuations.

Table A.II.3.5.

MERCHANDISE EX	MERCHANDISE EXPORTS By country of destination, as a percentage of total									
	2005	2006	2007	2008	2009	2010	2011	2012	2005 to 2012	
Cape Verde	0.6	0.1	0.0	0.1	0.1	0.2	0.1	0.0	0.1	
China	0.1	0.0	0.0	0.2	0.2	1.4	1.3	0.7	0.6	
France	0.0	0.0	0.0	0.0	0.8	2.0	1.1	0.0	0.6	
India	61.5	51.6	66.6	73.9	63.2	88.2	78.8	62.8	70.7	
The Gambia	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	
Netherlands	0.1	0.0	0.3	0.0	0.4	0.5	0.0	0.1	0.2	
Portugal	1.8	0.5	0.8	0.3	1.5	2.6	1.3	0.1	1.2	
Senegal	0.4	22.5	26.2	17.4	27.4	1.5	0.9	22.5	13.1	
Singapore	14.9	22.8	2.3	2.1	0.0	1.3	13.4	5.0	7.5	
Other	20.5	2.4	3.7	5.9	6.2	2.2	3.0	8.8	6.0	

Sources: BCEAO branch in Guinea-Bissau, IMF and Banco de Portugal calculations.

Table A.II.3.6.

MERCHANDISE IM	MERCHANDISE IMPORTS By country of origin, as a percentage of total										
	2005	2006	2007	2008	2009	2010	2011	2012	2005 to 2012		
China	2.3	1.6	0.2	0.4	2.6	4.1	1.7	1.3	1.8		
France	4.5	2.6	0.5	2.2	4.1	11.4	6.0	3.4	4.5		
The Gambia	1.4	7.4	1.4	2.0	0.9	1.1	0.8	1.0	1.8		
India	0.6	0.3	2.4	1.0	0.3	1.0	0.7	3.6	1.2		
Japan	0.7	0.7	0.2	1.5	1.3	4.4	3.7	0.6	1.8		
Netherlands	8.0	6.3	5.6	4.5	4.9	5.6	4.2	3.2	5.1		
Portugal	21.0	16.1	19.7	22.4	24.4	33.5	38.4	25.1	26.1		
Senegal	45.6	44.5	44.2	29.0	25.9	8.2	13.5	30.2	27.8		
Spain	1.1	0.9	1.9	1.1	2.7	1.8	3.4	1.7	2.0		
Other	14.9	19.8	23.9	35.9	32.9	28.9	27.5	29.9	28.1		

Sources: BCEA0 branch in Guinea-Bissau, IMF and Banco de Portugal calculations.

Table A.II.3.7.

	2009	2010	2011	2012	2013
	2005	2010	2011	2012	Proj
Medium or long-term debt	1,065.6	188.4	210.1	231.0	265.
Multilateral creditors	529.9	95.7	117.3	138.8	171.
Bilateral creditors	536.5	93.6	93.6	93.6	93.
Short-term debt	1.1	0.9	0.8	1.4	4.
Total external debt	1,066.7	189.3	210.9	232.4	270.
of which: Arrears	427.5				
Medium or long-term debt	424.8				
Multilateral creditors	58.7				
Bilateral creditors	366.1				
Paris Club	272.3				
Other countries	93.8				
Short-term debt	2.7				
Scheduled medium and long-term debt service	18.8	920.4	0.4	0.6	3
Principal	8.7	919.4	0.0	0.2	
Interest	10.2	1.0	0.4	0.4	
		(% of exports	s of goods and s	services)	
Total external debt	907.5	157.6	81.9	162.3	123
Scheduled medium and long-term debt service	16.0	766.4	0.6	1.7	1
Principal	7.4	765.6	0.4	1.5	
Interest	8.6	0.8	0.2	0.2	
			(% of GDP)		
Total external debt	129.0	22.4	21.3	25.2	27.

Sources: BCEAO branch in Guinea-Bissau, IMF and Banco de Portugal calculations.

Note: Figures from 2009 on reflect the impact of debt relied under the HIPC initiative and the MDRI.

Table A.II.3.8.

GOVERNMENT OPERATIONS Billions of	CFA francs						
	2009	2010	2011		2012		2013
	Est.	Est.	Est.	Proj.	Est.	I.e. ^(a)	Proj.
1. Total revenue	97.5	84.6	87.0	101.6	71.0	69.9	73.8
1.1. Current revenue	35.4	44.6	52.6	61.8	46.0	74.4	51.7
Non-tax revenue	8.8	11.5	12.3	15.2	7.1	46.7	6.5
of which: Fishing licences	3.0	5.2	7.1	8.3	0.2	2.4	0.1
Tax revenue	26.6	33.1	40.3	46.7	38.9	83.3	45.2
1.2. Grants	62.1	40.0	34.4	39.8	25.0	62.8	22.1
of which: Projects	33.6	30.6	25.7	33.6	15.9	47.3	10.1
of which: Budget support	28.5	9.4	8.7	6.2	9.1	146.8	12.0
2. Total expenditure	83.2	85.5	93.6	106.5	83.9	78.8	74.1
2.1. Current expenditure	47.2	49.3	56.6	61.8	62.3	100.8	55.5
Compensation of employees	20.5	20.7	23.6	26.3	25.1	95.4	25.6
Goods and services	6.4	8.6	7.6	11.0	12.8	116.4	8.1
Transfers	11.0	10.7	11.8	12.5	12.8	102.4	11.7
Scheduled debt interest	1.8	0.7	0.6	0.3	0.1	33.3	0.5
Other expenditure	7.5	8.6	12.9	11.8	11.4	96.6	9.6
2.2. Capital expenditure	36.0	36.2	37.0	44.6	21.6	48.4	18.5
3. Current balance: (1.1.) - (2.1.)	-11.8	-4.7	-4.0	0.0	-16.3		-3.8
4. Overall bal. excl. grants: (1.) - (2.) - (1.2.)	-47.8	-40.9	-41.0	-44.5	-38.0		-22.4
5. Overall balance: (1.) - (2.) (commitment basis)	14.3	-0.9	-6.5	-4.8	-12.9		-0.3
6. Change in arrears	-3.6	-7.7	-3.2	-1.5	2.9		0.0
6.1. Domestic	-4.9	-7.7	-3.2	-1.5	2.9		0.0
6.2. External	1.3	0.0	0.0	0.0	0.0		0.0
7. Items in transit, errors and omissions	0.0	-1.8	0.4	0.0	-4.0		0.0
8. Overall balance: (5.) + (6.) + (7.) (cash basis)	10.7	-10.5	-9.3	-6.3	-14.0		-0.3
9. Financing	-10.7	10.3	9.3	6.3	14.0		0.3
9.1. Domestic (net)	-10.5	7.1	-0.2	0.0	9.0		-4.4
of which: Banking system	-10.5	7.1	-0.2	0.0	9.0		-4.4
9.2. External (net)	-0.2	3.2	9.4	2.8	5.0		4.7
of which: Disbursements	1.0	4.7	9.4	2.9	5.1		5.0
of which: Amortisation	-10.7	-455.5	0.0	-0.1	-0.2		-0.3
of which: Debt relief	5.7	454.1	0.0	0.0	0.0		
10. Financing gap ^(b)	0.0	0.1	0.1	3.5	0.0		0.0

Sources: BCEA0 branch in Guinea-Bissau, IMF and Banco de Portugal calculations.

Notes: (a) Level of budget execution: as a percentage of budgeted/programmed amounts; (b) Net lending (+)/ net borrowing (-).

Table A.II.3.9.

MONETARY SURVEY Billio	MONETARY SURVEY Billions of CFA francs										
	2009	2010	2011	20	012 <i>2012/2</i> 0		/2011	<i>2011</i> 2013		2012	2013
				Proj.	Est.	[1]	[2]	Proj.	[1]	[2]	Jun
Net foreign assets	80.6	93.3	119.3	96.8	84.5	-29.2	-20.3	82.1	-2.8	-1.5	95.2
Central Bank	61.4	64.4	95.4	61.5	65.0	-31.9	-17.7	63.0	-3.1	-1.2	79.7
Commercial banks	19.2	28.9	23.9	35.3	19.5	-18.4	-2.6	19.1	-2.1	-0.2	15.6
Total domestic credit	20.2	32.0	52.4	46.5	85.7	63.5	19.4	93.2	8.8	4.6	93.0
Net claims on government	-1.6	4.0	11.2	8.0	21.4	91.4	6.0	19.6	-8.6	-1.1	26.6
Credit to the economy	21.8	34.0	50.5	38.5	64.2	27.2	8.0	73.6	14.6	5.8	66.5
Other assets (net)	-4.7	-6.7	-9.3	-3.0	-7.5	-19.4	1.0	-7.5	0.0	0.0	-6.6
Total assets	96.1	118.6	171.7	140.3	162.7	-5.2		167.8	3.1		181.7
Broad Money (M2)	96.1	124.6	171.7	140.3	162.7	-5.2		167.8	3.1		181.7
Currency in circulation	57.1	64.1	88.3	72.8	83.3	-5.7		86.3	3.6		81.7
Demand deposits	33.1	49.3	62.6		53.8	-14.1		58.6	8.9		74.5
Quasi-money/time deposits	5.8	11.1	20.8		25.6	23.3		22.9	-10.7		25.4
Total liabilities	96.1	124.6	171.7	140.3	162.7	-5.2		167.8	3.1		181.7

Sources: BCEA0 branch in Guinea-Bissau, BCEA0, IMF and Banco de Portugal calculations.

Notes: [1] Change from the end of the previous year; [2] Change from the money supply at the end of the previous year (liquidity expansion/contraction factors).

Table A.II.3.10.

INTEREST RATES Annual rates, per	cent				
	2009 Dec	2010 Dec	2011 Dec	2012 Dec	2013 Jun
Deposits					
Time deposits:					
Up to 90 days	1.5	1.5	1.5	1.5	1.5
91-180 days	1.8	1.8	1.8	1.8	1.8
181-365 days	3.0	3.0	3.0	3.0	3.0
Credit					
Up to 90 days	13.0	13.0	12.0	12.0	12.0
90-180 days	12.0	8.0	10.0	10.0	10.0
181-365 days	10.0	11.0	11.0	11.0	11.0
Overdraft on demand deposits	18.0	18.0	18.0	18.0	18.0
Central bank operations					
Banking system					
Discount rate	4.25	4.25	4.25	4.25	4.25
Reserve ratio	3.0	7.0	7.0	5.0	5.0
Memo item:					
Inflation (end-of-period % change)	-6.3	5.6	3.4	1.5	0.5

Sources: BCEAO branch in Guinea-Bissau and IMF.

Table A.II.3.11.

EXCH/	ANGE RATES	Average rates				
		EUR/	USD/	INR/	EERI (
		/CFA franc	/CFA franc	/CFA franc	Index, 100	
					Nominal	Real
	2001	655.96	728.18	15.43	101.44	100.31
	2002	655.96	695.86	14.32	104.21	103.26
	2003	655.96	579.28	12.46	110.39	102.41
	2004	655.96	527.53	11.64	113.33	102.45
	2005	655.96	531.17	12.12	111.01	100.61
	2006	655.96	521.92	11.48	114.01	101.45
	2007	655.96	478.68	11.60	113.49	101.62
	2008	655.96	447.78	10.30	118.99	111.44
	2009	655.96	472.19	9.75	121.63	110.07
	2010	655.96	495.42	10.84	116.56	103.17
	2011	655.96	469.25	10.10	119.93	106.01
	2012	655.96	507.65	9.57	122.58	106.79
2011	January	655.96	479.08	10.54	117.88	104.52
	February	655.96	474.16	10.44	118.36	104.05
	March	655.96	461.71	10.27	119.14	104.45
	April	655.96	441.42	9.94	120.69	106.05
	May	655.96	456.00	10.15	119.70	106.47
	June	655.96	453.00	10.10	119.93	107.17
	July	655.96	460.00	10.19	119.51	107.33
	August	655.96	455.95	9.86	121.12	108.40
	September	655.96	485.79	10.10	119.92	107.11
	October	655.96	468.10	9.50	122.93	107.98
	November	655.96	488.86	9.69	121.95	106.51
	December	655.96	506.96	10.52	117.98	102.14
2012	January	655.96	497.84	10.50	118.05	103.32
	February	655.96	487.95	9.88	121.03	106.03
	March	655.96	491.13	9.69	121.97	105.74
	April	655.96	496.41	9.51	122.87	106.47
	May	655.96	528.87	9.71	121.86	106.86
	June	655.96	521.00	9.33	123.85	108.42
	July	655.96	533.99	9.68	122.03	107.72
	August	655.96	520.15	9.40	123.49	108.16
	September	655.96	507.30	9.35	123.71	108.14
	October	655.96	504.85	9.55	122.67	106.39
	November	655.96	505.13	9.24	124.35	107.21
	December	655.96	497.16	9.11	125.03	107.04
2013	January	655.96	484.10	8.93	126.07	109.87
	February	655.96	499.60	9.30	124.02	108.34
	March	655.96	512.27	9.42	123.35	107.16
	April	655.96	501.80	9.26	124.22	107.92
	May	655.96	504.35	9.23	124.40	109.59
	June	655.96	501.50	8.62	127.87	112.15
	July	655.96	494.13	8.27	130.04	114.75

Sources: BCEAO branch in Guinea-Bissau, IMF and Banco de Portugal calculations.

Notes: (a) Effective exchange rate index (EERI), calculated on the basis of official exchange rates applied to the currencies of Guinea-Bissau's four main trading partners over the period from 2005 to 2012 (appreciation + ; depreciation -).



AREA: 799,380 Km²

CAPITAL CITY: Maputo

POPULATION: 23.7 million (2012; source: Mozambique National Institute of Statistics)

CURRENCY: Metical

Investments and exports from the large-scale projects (mainly natural gas and coal) have been key drivers of Mozambican growth. Imports in those sectors have put pressure on the external accounts, although foreign direct investment has allowed foreign exchange reserves to accumulate. This capital inflow and falling inflation have enabled monetary conditions to be loosened, leading to expansion in credit to the economy. The public accounts have improved, benefiting from increased tax collection and a slight reduction in public investment.

II.4. MOZAMBIQUE – Overview

In 2012, Mozambique was again one of the countries showing the most solid growth in Sub-Saharan Africa, with domestic output growing 7.4% in real terms. This was also the figure for average growth over the last decade, substantially higher than the 4.8% recorded by the Southern African Development Community (SADC), of which it is a member. The country's ongoing macroeconomic stabilisation process has been supported continuously by the IMF, and this will carry on over the next three years following the June 2013 signing of a new programme under the Policy Support Instrument (PSI).

Table II.4.1.

	2010	2011 Est.	2012 Est.	2013 Prog.						
Real GDP (annual % change)	7.1	7.3	7.4	7.0						
Inflation (average % change)	12.7	10.4	2.1	5.5						
Broad money (annual % change)	24.6	7.8	29.4	16.2						
Current account (% of GDP)	-11.7	-24.3	-35.5	-39.3						
Fiscal balance (% of GDP)	-4.2	-4.8	-3.9	-6.7						
External debt (% of GDP)	39.2	31.5	31.5							

Sources: International Monetary Fund and Banco de Moçambique.

Economic activity in 2012 was mainly driven by public investment (infrastructure) and private investment (foreign direct investment in the natural gas sector) and by exports (coal, heavy sands and traditional products). However, increasing imports of goods and services arising from the implementation and operational launch of large-scale projects led to a significant deterioration in the external current account, pushing it towards a deficit of 35.5% of GDP at the end of the year. Even so, the doubling of the foreign direct investment level (which rose to 35.8% of GDP) allowed some foreign exchange reserves to accumulate, providing an equivalent of 3.8 months' coverage of goods and services imports (0.1 months more than 2011).

Following the favourable behaviour of net external assets and falling inflation (through decreasing prices of food imports, the containment of administered prices and greater supply of food produce), Banco de Moçambique progressively loosened its monetary policy stance. The central bank cut its reference rates (from 16.5% in July 2011 to 8.75% in August 2013) and its reserve requirement ratio (by 1 p.p. to 8%) and introduced liquidity into the interbank markets to foster growth in credit to the economy.

Broad money growth accelerated in 2012 to 29.4%, accommodating the growth of net external assets, additional credit to the private sector and the State's increasing use of credit from the domestic banking sector, despite its falling financing needs.

The public accounts benefited from the good performance of tax revenue in 2012, based on good income tax collection and the activity of large-scale projects, leading the budget deficit to fall to 3.9% of GDP. The reduction in public investment also contributed to the smaller deficit, driven by lower external financing, due to the low level of project grants disbursed by certain cooperation partners and certain programmes entering their final phases.

The floods that took place at the start of 2013 caused the displacement of local populations and the destruction of harvests and infrastructure, forcing the authorities to protect the most vulnerable and rebuild the damaged infrastructure. Forecasts suggest a moderate slowdown in economic growth in 2013, nevertheless reaching 7.0% with assistance from activities surrounding the large-scale projects. However, the subsequent increase in goods and services imports will lead to a new deterioration of the

external current account, which, despite the increase forecast for the State's external indebtedness, will hinder the accumulation of external reserves, which are expected to cover 3.7 months of goods and services imports (-0.1 months year-on-year).

The slower growth of foreign exchange reserves is expected to contribute to a slowdown in monetary expansion in 2013, although credit to the economy is expected to accelerate. Monetary policy has continued to loosen, with the central bank regarding the level of inflation rates (which have been increasing) as compatible with their medium-term goals.

The floods have led to the drafting of a revised budget for the public accounts, in order to plan the reorientation and increased expenditure required. The revised budget for 2013 projects an increase in the public deficit to 6.7% of GDP, arising from additional current spending and investment, the deceleration of current revenues and the ongoing reduction in grants, with financing putting pressure on public external debt.

The IMF and the World Bank have recently reassessed Mozambique's debt sustainability, finding that the country is now at moderate risk of debt distress (having had a low risk profile previously), with the main debt indicators coming close to their respective thresholds. Those institutions emphasise the need for Mozambique to improve its ability to manage debt and plan investments, moderate the pace of growth of public indebtedness and ensure that the beneficial effects of natural gas production on economic growth and tax revenues materialise.

Table A.II.4.1.

MAIN ECONOMIC INDICATOR	(S								
		2009	2010	2011	20			2013	
		Est.	Est.	Est.	Prog.	Est.	Prog.	Est.	
OUTPUT AND PRICES									
Nominal GDP	EUR millions	6,835	6,931	9,070	10,703	11,246	11,363		
Real GDP	Annual % change	6.3	7.1	7.3	6.7	7.4	7.0		
Inflation (Consumer Price Index)	E-o-p % change	3.0	16.6	5.5	5.6	2.2	6.1	5.5	Jun.
	Average % change	4.2	12.7	10.4	7.2	2.1	5.5	3.1	Jun.
PUBLIC FINANCES									
Total revenue	% of GDP	27.1	28.7	29.7	31.7	30.2	29.6		
Total expenditure	% of GDP	32.6	32.9	34.5	39.7	34.1	36.3		
Overall balance	% of GDP	-5.5	-4.2	-4.8	-8.0	-3.9	-6.7		
Overall balance excl. grants	% of GDP	-15.0	-13.2	-12.3	-16.4	-10.0	-11.8		
MONEY AND CREDIT									
Net claims on general gov.	Annual % change	-1.6	-6.5	53.6	55.9	99.0	-7,587.3	-7,559.9	Apr. ^(d)
Credit to the economy	Annual % change	58.6	29.3	6.4	22.7	18.3	21.5	7.8	Apr. ^(d)
Broad money (M3)	Annual % change	32.6	24.6	7.8	18.8	29.4	16.2	0.5	Apr. ^(d)
INTEREST RATES									
Deposit (1-year)	Annual rate	10.2	12.2	13.4		11.5		10.2	Apr.
Lending (1-year)	Annual rate	19.2	21.7	23.7		21.4		19.8	Apr.
BALANCE OF PAYMENTS									
Merchandise exports (in USD)	Annual % change	-19.1	8.7	33.6	-0.1	11.3	13.8		
Merchandise imports (in USD)	Annual % change	-6.1	2.6	52.8	-16.9	14.9	15.3		
Current account	% of GDP	-12.2	-11.7	-24.3	-12.4	-35.5	-39.3		
Current acc. excl. offic. transf.	% of GDP	-19.1	-18.0	-30.6		-40.5			
International reserves	Months of imports ^(b)	4.8	3.3	2.9	3.4	3.0	2.8		
	Months of imports ^(c)		4.2	3.7	5.1	3.8	3.7	3.1	Mar.
EXTERNAL DEBT									
Total stock	EUR millions	2,707	2,717	2,857		3,195			
	% of GDP	39.6	39.2	31.5		31.5			
	% of exports ^(b)	142.9	140.8	116.1		116.9			
Debt service	% of exports ^(b)	1.8	2.5	2.1		2.5			
EXCHANGE RATES									
MZM/EUR (official market)	Average rate	38.95	45.44	40.28		36.49		38.92	Jun.
MZM/USD (official market)	Average rate	26.71	32.99	29.06		28.23		29.87	Jun.
MZM/USD (parallel market)	Average rate	29.24	35.65	31.04		29.45		30.84	Jun.
Nominal EERI (Index, 100: 2000) ^(a)	% change ^(d)	-30.5	-7.1	35.4		-8.9		7.3	Jun.
Real EERI (Index, 100: 2000) ^(a)	% change ^(d)	-30.9	5.2	36.9		-10.7		8.0	Jun.

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Notas: (a) Effective exchange rate index (EERI), calculated on the basis of official exchange rates applied to the currencies of Mozambique's four main trading partners over the period 2005/09 (appreciation: +; depreciation: -); (b) Prospective imports of goods and services; (c) Imports of goods and services, excluding megaprojects; (d) Change from the previous December.

Table A.II.4.2.

GROSS DOMESTIC PRODUCT Current prices, MZM millions												
	2008	2009	2010	2011	2012	2013						
	Est.	Est.	Est.	Est.	Est.	Prog.						
Primary sector	64,368	71,651	89,229	104,314								
Agriculture and livestock	60,109	67,425	83,974	98,600								
Fishing	4,259	4,227	5,255	5,714								
Secondary sector	53,833	57,134	66,087	73,419								
Mining and quarrying	3,318	3,566	4,074	5,086								
Manufacturing	33,610	34,449	39,880	43,168								
Electricity and water	10,044	11,586	13,277	14,828								
Construction	6,860	7,533	8,855	10,337								
Tertiary sector	101,777	113,536	132,158	153,218								
Trade and repairs	33,457	37,735	46,400	56,486								
Restaurants and hotels	3,781	3,904	4,837	6,200								
Transport and communication	22,180	24,913	28,666	33,030								
Financial services	9,522	10,508	12,034	12,813								
Real estate renting	13,495	14,254	14,883	15,726								
Public services	21,353	24,751	28,108	31,804								
Other	-2,010	-2,529	-2,770	-2,842								
Gross Domestic Product (at factor costs)	219,977	242,322	287,474	330,951								
Indirect taxes	20,380	23,891	27,487	34,384								
Gross Domestic Product (market prices)	240,358	266,213	314,961	365,334	410,339	454,455						
Consumption	222,204	248,737	285,093	341,522	360,936	388,367						
Public	29,691	34,368	44,020	48,896								
Private	192,513	214,369	241,073	292,625								
Investment	42,291	39,796	57,535	62,314	92,113	104,339						
Gross Fixed Capital Formation	39,614	43,959	51,862	64,949								
Changes in inventory	2,677	-4,164	5,673	-2,635								
Domestic demand	264,495	288,533	342,629	403,836	453,049	492,707						
Exports of goods and services	72,638	73,799	87,687	99,118	110,598	130,977						
Overall demand	337,133	362,332	430,315	502,954	563,647	623,684						
Imports of goods and services	96,775	96,119	115,354	137,619	153,307	169,229						
Memo item:												
Gross domestic savings	18,154	17,476	29,868	23,813	49,403	66,088						
Nominal GDPmp (USD millions)	9,943	9,967	9,548	12,572	14,536	14,900						
GDPmp deflator (annual % change)	8.4	4.2	10.5	8.1	4.5	3.5						
Nominal GDPmp (annual % change)	15.8	10.8	18.3	16.0	12.3	10.8						
Real GDPmp (annual % change)	6.8	6.3	7.1	7.3	7.4	7.0						

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Table A.II.4.3.

CONS	UMER PRICE INDE	X Per cent		
		Monthly change	End-of-period change	Average change
		[1]	[2]	[3]
2002	December	2.5	9.1	17.3
2003	December	2.8	11.4	11.5
2004	December	1.9	9.3	11.4
2005	December	3.9	13.1	7.0
2006	December	2.2	8.1	13.6
2007	December	3.2	12.1	9.2
2008	December	0.9	11.8	14.5
2009	December	2.1	3.0	4.2
2010	December	3.5	16.6	12.7
2011	December	1.3	5.5	10.4
2012	December	1.0	2.2	2.1
2012	January	0.9	4.3	9.3
	February	-0.5	2.5	8.2
	March	0.3	2.7	7.2
	April	-0.1	2.5	6.4
	May	-0.4	1.6	5.6
	June	-0.5	1.6	4.9
	July	-0.1	1.5	4.4
	August	-0.1	1.1	3.8
	September	0.1	1.2	3.3
	October	0.3	1.5	2.8
	November	1.4	2.5	2.4
	December	1.0	2.2	2.1
2013	January	1.1	2.3	1.9
	February	1.4	4.3	2.1
	March	0.3	4.3	2.2
	April	0.6	5.1	2.4
	May	-0.4	5.1	2.7
	June	-0.2	5.5	3.1

Sources: Banco de Moçambique, Mozambique National Institute of Statistics and Banco de Portugal calculations.

Notes: [1] month (n) / month (n-1); [2] month (n) / month (n) of the previous year; [3] last 12 months / previous 12 months.

Table A.II.4.4.

BALANCE OF PAYMENTS USD millio	ns							
	2009	2010	2011		2012		20	13
		Est.	Est.	Prog.	Q1	Est.	Prog.	Q1
Current account	-1,220	-1,113	-3,056	-1,803	-1,199	-5,167	-5,854	-1,672
Excluding official transfers	-1,901	-1,718	-3,848		-1,359	-5,880		-1,778
Trade balance	-1,275	-1,179	-2,250	-1,344	-544	-2,698	-3,163	-912
Exports (f.o.b.)	2,147	2,333	3,118	3,116	925	3,470	3,950	996
of which: Megaprojects	1,311	1,668	2,015	2,325	544	2,195	2,623	532
Imports (c.i.f.)	-3,422	-3,512	-5,368	-4,460	-1,469	-6,168	-7,112	-1,908
of which: Megaprojects	-791	-900	-1,547	-1,508	-568	-2,161	-2,494	-729
Services	-457	-506	-1,482	-895	-797	-3,191	-3,225	-1,084
Income	-251	-85	-190	-239	-1	-39	-23	-9
of which: Dividends f/ megaproj.	-224	0	-157	-254	-12	-40	-17	-21
Scheduled interest	-20	-30	-35		-11	-40		-4
Current transfers	763	657	866	675	143	761	557	333
Official transfers	682	605	792		160	713		106
of which: External grants	687	605	785	661		538	520	
Private transfers	82	52	74		-17	48		228
Capital and financial account	1,288	1,116	3,364	2,005	1,228	5,530	5,954	1,366
Capital account	422	348	432	422	83	426	384	92
Financial account	866	768	2,932	1,583	1,144	5,104	5,571	1,274
FDI (net)	890	790	2,599	1,590	1,198	5,210	4,719	1,363
General gov. borrowing (net)	434	468	531	926	61	546	961	61
Private sector borrowing (net)	-487	-348	-39	-671	-46	-56	-43	15
Other transactions (net) ^(a)	28	-142	-159	-261	-69	-596	-66	-165
Errors and omissions	126	56	17	0	-69	7	0	-23
Overall account	194	58	322	200	-40	370	100	-329
Financing	-194	-58	-322	-200	40	-370	-100	329
Change in international reserves (net) ^(a)	-352	-87	-321	-198	39	-367	-97	335
Use of IMF funds (net) ^(b)	156	18	-2	-2	1	-2	-3	-6
Exceptional financing	2	10	0	0	0	0	0	0
Change in arrears (decrease: -)	0	0	0	0	0	0	0	0
Financing gap ^(c)	0	0	0	0	0	0	0	0

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Notes: (a) In 2009, includes the use of an SDR allocation of SDR 108.8 million under investment liabilities of the monetary authorities, resulting in an increase in international reserves; (b) Disbursements in 2009 and 2010 under the Exogenous Shocks Facility arrangement; (c) Net borrowing (-) / net lending (+).

Table A.II.4.5.

MERCHANDISE EXPO	MERCHANDISE EXPORTS Destinations as a percentage of total exports													
	2005	2006	2007	2008	2009	2010	2011	2012	2005 to 2012					
Belgium	0.1	0.1	0.3	0.5	0.7	0.4	0.6	1.0	0.5					
China	1.9	1.4	1.7	1.6	3.5	3.9	5.4	18.4	5.5					
India	1.5	1.3	0.7	0.8	2.6	1.5	1.8	4.4	1.9					
Netherlands	59.7	59.7	61.8	55.5	41.6	51.0	43.5	31.5	49.2					
Malawi	2.8	1.0	0.7	1.4	2.2	1.2	1.5	0.9	1.4					
Portugal	1.2	1.2	1.3	0.8	1.5	4.7	1.4	0.5	1.5					
South Africa	16.2	15.2	17.2	9.2	21.4	21.6	18.7	19.2	17.4					
Spain	1.9	1.8	1.5	1.3	1.5	1.7	2.7	1.5	1.7					
United States	2.2	0.3	0.2	0.5	1.9	0.9	0.8	1.8	1.1					
Zimbabwe	2.9	3.2	2.9	2.1	3.4	3.2	2.5	2.4	2.8					
Other	9.6	14.7	11.7	26.2	19.6	10.0	21.1	18.6	17.0					

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Table A.II.4.6.

MERCHANDISE IMP	MERCHANDISE IMPORTS Origins as a percentage of total imports												
	2005	2006	2007	2008	2009	2010	2011	2012	2005 to 2012				
Australia	0.7	0.1	0.3	0.1	0.6	0.1	1.0	0.6	0.5				
China	2.5	2.6	3.5	3.9	4.6	5.7	7.0	7.3	5.2				
France	0.9	0.8	0.8	0.6	0.8	0.3	1.2	1.4	0.9				
India	3.6	3.2	4.4	3.6	6.5	1.1	5.6	5.9	4.5				
Japan	0.8	0.6	3.1	3.2	3.8	5.5	3.5	3.8	3.3				
Netherlands	11.5	15.6	14.5	17.4	13.0	16.5	12.6	9.3	13.4				
Portugal	3.6	3.3	3.5	2.9	3.8	8.0	4.2	4.9	4.4				
South Africa	42.9	36.3	32.4	29.1	35.5	51.2	34.0	31.5	35.8				
United States	2.6	2.2	2.7	4.0	3.6	0.5	2.8	4.1	3.0				
Outros	30.9	35.3	34.9	35.2	28.0	11.0	28.2	31.2	29.1				

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Table A.II.4.7.

EXTERNAL DEBT USD millions						
	2007 Est.	2008 Est.	2009 Est.	2010 Est.	2011 Est.	2012 Est.
Medium or long-term debt	3,424.0	3,581.3	3,947.7	3,743.6	4,214.4	4,829.2
Multilateral creditors	1,543.4	1,672.9	2,229.0	2,436.6	2,505.4	2,926.9
Bilateral creditors	1,880.6	1,908.4	1,718.8	1,307.0	1,709.0	1,902.4
OECD countries	639.6	560.1	216.9	326.7	515.1	520.2
OPEC countries	159.9	159.9	159.7	158.1	491.8	498.8
Eastern European countries	107.1	107.2	227.5	148.5	112.3	136.6
Other countries	974.0	1,081.2	1,342.3	673.7	589.8	746.8
Short-term debt						
Total external debt	3,424.0	3,581.3	3,947.7	3,743.6	3,960.3	4,579.0
Scheduled medium/long-term debt service	47.6	69.1	49.2	66.7	72.7	97.0
Principal	31.9	41.5	28.7	36.6	37.7	57.0
Interest	15.7	27.6	20.4	30.1	35.0	40.0
		(% 0	f exports of go	ods and servi	ices)	
Total external debt	136.4	119.2	142.9	140.8	116.1	116.9
Debt service	1.9	2.3	1.8	2.5	2.1	2.5
			(% of	GDP)		
Total external debt	42.2	36.0	39.6	39.2	31.5	31.5

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Table A.II.4.8.

GOVERNMENT OPERATIONS MZ	2010	2011		201	12			2013	
	Est.	Est.	Buda.	20 1st half	Est.	I.e. ^(a)	R.Buda.	2015 1st half	I.e. ^{(a}
1. Total revenue ^(b)	90.33	108.44	130.26	52.70	123.91	95.1	143.72	65.07	45.3
1.1. Current revenue	61.63	81.06	95.54	43.57	98.62	103.2	120.49	55.56	46.1
Non-tax revenue	7.94	12.80	15.10	6.37	13.97	92.6	19.66	8.15	41.4
Tax revenue	53.69	68.26	80.44	37.19	84.64	105.2	100.83	47.42	47.0
Income taxes	18.48	24.90	27.85	15.33	36.77	132.0	39.12	19.70	50.4
Consumption taxes	28.84	33.76	41.25	17.12	37.09	89.9	47.12	21.16	44.9
Taxes on international trade	5.26	6.73	8.08	3.26	7.57	93.8	9.58	4.91	51.3
Other taxes	1.10	2.88	3.26	1.48	3.20	98.3	5.02	1.65	32.9
1.2. Grants	28.34	27.38	34.72	9.13	25.29	72.8	23.23	9.50	40.9
2. Total expenditure ^(c)	103.52	125.93	163.04	58.73	139.84	85.8	188.72	69.48	36.8
2.1. Current expenditure ^(d)	57.89	70.99	85.37	39.16	82.40	96.5	100.47	44.22	44.0
Compensation of employees	29.11	35.81	41.73	20.80	41.53	99.5	50.55	24.04	47.6
Goods and services	10.69	10.99	14.97	7.22	14.25	95.2	19.48	8.64	44.4
Transfers and subsidies	15.42	16.52	18.98	7.84	17.51	92.2	19.42	8.41	43.3
Interest	2.67	3.50	4.63	2.26	4.13	89.2	5.62	2.08	37.1
2.2. Capital expenditure	43.70	51.01	66.98	17.38	50.48	75.4	79.98	18.05	22.6
Domestic financing	20.03	20.41	25.72	9.42	24.74	96.2	34.61	11.55	33.4
External financing	23.67	30.60	41.26	7.96	25.74	62.4	45.37	6.50	14.3
2.3. Net lending	1.93	5.93	13.06	2.18	4.98	38.1	8.27	7.21	87.2
3. Current balance: (1.1-2.1)	3.74	10.07	10.17	4.40	16.22		20.02	11.35	
4. Overall bal. excl. grants: (1-2-1.2)	-41.53	-44.87	-67.50	-15.16	-41.22		-68.23	-13.91	
5. Overall balance: (1-2)	-13.19	-17.49	-32.78	-6.03	-15.93		-45.00	-4.41	
6. Financing	13.19	17.49	32.78	5.96	15.93		45.00	10.94	
6.1. Domestic (net) ^{(e), (f)}	-0.05	2.62	3.15	0.00	3.15	100.0	3.57	0.45	12.5
of which: Banking system	-0.74	6.55	3.17		5.61				
6.2. External (net)	13.25	14.88	29.63	5.96	12.78	43.1	41.42	10.50	25.3
Disbursements ^(e)	14.28	15.92	31.90	7.11	14.40	45.1		12.19	
Amortisation	-1.03	-1.05	-2.27	-1.15	-1.61	71.1		-1.70	
7. Financing gap ^(g)	0.00	0.00	0.00	-0.07	0.00		0.00	6.54	

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Notes: (a) Level of budget execution, %; (b) Includes revenue that has not been classified; (c) Includes expenditure that has not been classified; (d) Includes other current expenditure; (e) Includes movements related to a government account set abroad with the proceedings of the Moatize coal mine concession; (f) For 2009, 2010 and 2011, includes privatisation receipts; (g) Net borrowing (-) /net lending (+).

Table A.II.4.9.

MONETARY SURVEY I	MZM bi	llions										
	2009	2010	2011	20	12	2012	/2011	2013	<i>2013</i> µ	o/2012	2013	2013
	Est.	Est.	Est.	Prog.	Est.	[1]	[2]	Prog.	[1]	[2]	Mar	Apr
Net foreign assets	63.8	79.9	73.0	98.2	95.7	31.1	15.8	112.3	17.4	8.9	94.2	91.5
Central Bank	49.7	57.1	56.9	73.0	73.1	28.5	11.3	81.9	12.0	4.7	64.9	62.8
Foreign assets	59.6	68.9	66.9		84.2	25.8	12.0				75.8	73.8
Foreign liabilities	-10.0	-11.8	-10.0		-11.1	10.6	-0.7				-10.9	-11.0
Commercial banks	14.1	22.8	16.1	25.2	22.6	40.2	4.5	30.5	34.7	4.2	29.3	28.8
Net domestic assets	60.0	80.2	92.6	118.1	116.2	25.5	16.4	136.8	17.7	11.1	115.9	120.9
Net claims on gen. gov.	-11.5	-12.2	-5.7	-2.5	-0.1	99.0	3.9	-4.5		-2.4	-6.4	-4.5
Credit granted	28.7	22.9	37.7		45.5	20.7	5.4				55.2	52.6
Deposits	-38.7	-34.3	-43.0		-45.4	5.7	-1.7				-61.6	-56.9
National currency	-38.0	-34.0	-42.9		-45.4	5.7	-1.7				-61.5	-56.9
Foreign currency	-0.7	-0.3	-0.1		0.0	-30.8	0.0				0.0	-0.1
Earmarked funds	-1.5	-0.9	-0.3		-0.1	-72.3	0.2				-0.1	-0.1
Credit to the economy	71.4	92.4	98.3	120.6	116.3	18.3	12.5	141.3	21.5	13.5	122.4	125.4
National currency	48.7	65.2	76.5	94.0	87.5	14.4	7.7	111.6	27.6	13.0	93.3	96.2
Foreign currency	22.8	27.2	21.8	26.6	28.8	32.1	4.9	29.7	3.2	0.5	29.1	29.2
Other items (net)	-16.6	-26.6	-21.8	-45.5	-25.9	18.9	-2.9	-33.0	27.1	-3.8	-26.4	-25.4
Total assets	107.1	133.4	143.8	170.8	186.0	29.4		216.2	16.2		183.7	187.0
Broad money (M3)	107.1	133.4	143.8	170.8	186.0	29.4	29.4	216.2	16.2	16.2	183.7	187.0
Base money	24.5	31.6	34.3	41.2	41.1	19.7	4.7	48.4	17.8	3.9	37.7	38.8
Currency in circulation	13.1	17.4	17.5	21.9	19.7	12.5		20.2	2.7		17.5	18.1
Demand deposits	60.8	73.7	80.1	93.5	109.5	36.7		123.8	13.0		104.7	109.2
Quasi-money	33.2	42.3	46.2	55.4	56.8	22.9		72.2	27.1		61.6	59.7
Total liabilities	107.1	133.4	143.8	170.8	186.0	29.4		216.2	16.2		183.7	187.0

Sources Banco de Moçambique, IMF and Banco de Portugal calculations.

Notes: [1] Percentage change from the previous period; [2] Change in per cent of the initial stock of money supply (expansion/contraction determinants).

Table A.II.4.10.

INTERE	INTEREST RATES Annual rates, per cent												
		2008 Dec	2009 Dec	2010 Dec	2011 Dec	2012 Dec	2013 Mar	2013 Apr	2013 May	2013 Jun			
Deposits	91-180 days	11.2	8.8	11.5	12.7	10.2	8.8	8.7					
	181-365 days	11.6	10.2	12.2	13.4	11.5	10.2	10.2					
	1-2 years	11.1	9.4	14.3	13.2	9.6	8.5	8.6					
Credit	Up to 180 days	22.0	18.6	22.0	24.4	20.6	19.8	19.5					
	181-365 days	21.8	19.2	21.7	23.7	21.4	19.8	19.8					
	1-2 years	20.7	18.8	22.6	24.9	21.0	21.4	21.2					
Reference	e rates												
	Standing liquidity provision facility	14.5	11.5	15.5	15.0	9.5	9.5	9.5	9.5	9.0			
	Treasury bills (91 days)	14.0	9.5	14.7	11.8	2.6	2.8	2.9	3.4	4.4			
	Unsecured IMM (up to 7 days)	12.4	8.0	13.1	11.7	2.9	3.1	3.1	3.2	3.2			

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Table A.II.4.11.

EXCHANG	E RATES	Average	e rates									
	IV	IZM/EUR	ł		M	ZM/USD			MZM/	EERI ^(a)		
	Official	Open	Op/Of	Official	Parallel	Open	Pa/Of	Op/Of	/ZAR	Index, 1	00: 2000	
	(Of)	(Li)	(%)	(Of)	(Pa)	(Li)	(%)	(%)	Open	Nom.	Real	
2000	13,980	14,045	0.46	15,141	15,996	15,254	5.65	0.75	2,187	100.00	100.00	
2001	18,294	18,515	1.21	20,455	21,145	20,706	3.37	1.23	2,537	82.03	87.03	
2002	21,896	22,371	2.17	23,180	24,281	23,665	4.75	2.09	2,374	76.88	90.51	
2003	26,360	26,874	1.95	23,341	24,249	23,782	3.89	1.89	3,188	60.26	76.18	
2004	27,457	27,783	1.19	22,131	23,166	22,581	4.67	2.04	3,523	56.51	78.36	
2005	28,337	28,576	0.84	22,936	23,614	23,068	2.96	0.58	3,617	54.19	78.38	
2006 ^(b)	32.18	31.38	-2.47	24.98	26.93	26.03	7.82	4.18	3.77	50.60	80.72	
2007	35.57	35.02	-1.55	25.56	26.64	25.84	4.24	1.09	3.67	47.95	80.30	
2008	35.72	35.49	-0.65	24.17	25.15	24.30	4.05	0.52	2.98	52.18	94.03	
2009	38.95	37.25	-4.37	26.71	29.24	27.52	9.47	3.03	3.33	47.33	85.83	
2010	45.44	43.63	-3.99	32.99	35.65	33.96	8.09	2.95	4.65	37.13	73.77	
2011	40.28	40.46	0.45	29.06	31.04	29.07	6.81	0.03	4.04	42.58	89.95	
2012	36.49	36.29	-0.56	28.23	29.45	28.40	4.34	0.61	3.47	48.16	99.84	
2012												
January	35.74	35.08	-1.85	27.18	29.50	27.26	8.54	0.29	3.41	48.67	103.96	
February	35.99	35.94	-0.14	27.17	29.05	27.27	6.90	0.38	3.57	47.89	101.16	
March	36.85	36.25	-1.63	27.46	28.73	27.64	4.62	0.64	3.64	46.66	97.77	
April	36.53	36.51	-0.05	27.76	29.05	27.98	4.65	0.80	3.58	47.62	99.21	
May	34.98	35.33	1.00	27.63	28.63	27.88	3.63	0.92	3.42	50.05	103.83	
June	34.82	34.95	0.37	27.89	28.60	28.09	2.56	0.70	3.36	50.42	104.14	
July	34.68	34.44	-0.69	28.03	28.97	28.21	3.35	0.66	3.42	49.82	102.32	
August	35.91	35.37	-1.50	28.53	29.47	28.80	3.29	0.96	3.49	48.37	99.05	
September	36.92	36.94	0.05	28.72	29.79	28.79	3.73	0.24	3.49	47.82	97.41	
October	37.68	37.51	-0.45	28.91	29.86	29.09	3.29	0.61	3.37	47.90	97.28	
November	38.53	38.23	-0.78	29.80	30.45	29.97	2.19	0.56	3.41	47.01	96.91	
December	39.24	38.88	-0.92	29.66	31.32	29.81	5.60	0.51	3.46	46.22	96.20	
2013												
January	40.57	39.54	-2.54	29.76	30.98	30.01	4.10	0.84	3.42	45.11	94.76	
February	39.30	40.06	1.93	30.00	31.48	30.50	4.93	1.67	3.43	46.83	99.02	
March	38.92	38.95	0.08	30.06	31.90	30.57	6.12	1.70	3.33	47.40	99.42	
April	39.30	39.11	-0.48	30.05	31.78	30.55	5.76	1.66	3.35	46.90	98.76	
May	38.87	38.91	0.10	29.98	31.74	30.07	5.87	0.30	3.21	47.99	100.73	
June	38.92	39.38	1.19	29.87	30.84	29.75	3.23	-0.40	2.98	49.58	103.85	

Sources: Banco de Moçambique, IMF and Banco de Portugal calculations.

Notes: (a) Effective exchange rate index (EERI), calculated on the basis of official exchange rates applied to the currencies of Mozambique's four main trading partners over the period 2005/09 (appreciation: +; depreciation: -); (b) A monetary reform was carried out in July 2006 with a conversion rate of 1 to 1000.



SÃO TOMÉ AND PRÍNCIPE

AREA: 997 Km²

CAPITAL CITY: São Tomé

POPULATION: 187.4 thousand (2011; source: STP National Institute of Statistics)

CURRENCY: Dobra

The growth pace of the Santomean economy slowed down slightly in 2012, reflecting a number of factors, such as scarcer external financing. This phenomenon also exerted pressure on foreign exchange reserves, although a rebound was seen towards the end of the year. This cooling of the economy affected tax revenue, but an additional effort to contain public expenditure made it possible to maintain fiscal consolidation, which continued to prove decisive to a sustained fall in inflation.

II.5. SÃO TOMÉ AND PRÍNCIPE – Overview

The main macroeconomic developments observed in São Tomé and Príncipe in the course of 2012 and the early months of 2013 clearly show the pattern that has characterised the Santomean economy since the end of the last decade: while the country's socio-economic developments continued to face obstacles resulting from a number of structural weaknesses and temporary constraints, remarkable progress was being made at different levels. In fact, the pace of economic growth slowed down, but remained robust; the pace of inflation was affected once more by occasional supply shocks, but fell to historical lows; profound external imbalances persisted, but the main balances recorded a further slight improvement; the budget outturn was affected by weak tax collection, but the consolidation of public accounts prevailed; higher external financing shortfalls affected the foreign exchange market and exerted pressure on foreign exchange reserves, but subsequently the situation returned to normal – thereby strengthening the sustainability of the dobra's exchange rate peg to the euro (supported, according to the Santomean authorities, by instruments such as the Economic Cooperation Agreement between Portugal and São Tomé and Príncipe, fully operational since 2010).

Table II.5.1.

MAIN ECONOMIC INDICATORS						
	2009 Est.	2010 Est.	2011 Est.	2012 Prog.	2012 Est.	2013 Prog.
Real GDP (annual % change)	4.0	4.5	4.9	4.5	4.0	4.5
Inflation (end-of-period % change)	16.1	12.9	11.9	8.3	10.4	8.0
Broad money (annual % change)	8.2	25.1	10.5	6.1	18.4	14.4
Current and capital account (% of GDP)	3.9	-26.6	-22.0	-17.8	-21.8	-16.5
Overall fiscal balance (% of GDP)	-18.0	-10.4	-12.0	-8.8	-11.2	-13.1
Domestic primary balance (% of GDP)	-8.1	-4.1	-3.0	-3.2	-3.2	-3.1
External public debt (% of GDP)	69.2	78.6	74.2		77.6	

Sources: Banco Central de São Tomé e Príncipe, Ministry of Finance (São Tomé and Príncipe) and International Monetary Fund.

The increased difficulties faced by the economy of São Tomé and Príncipe in accessing external financing through the most significant traditional sources (combined with the need to consolidate the fiscal adjustment and moderate the previously excessive expansion of credit to the economy) have been key for the estimated deceleration of economic growth in 2012.

Turning to prices, after a decline to its lowest level of the last nine years at the end of 2012, the pace of inflation continued to slow down, reaching a historical minimum in June 2013 (7.2%) – mainly due to the preservation of the required underlying macroeconomic conditions and despite recurrent supply shocks.

One of the most important among such macroeconomic conditions is strict fiscal consolidation, which in 2012 was subject to pressure from tax revenue (whose outturn was only 84.9% of the budgeted amount, reflecting specific factors and the cooling of the economy), but was preserved due to an additional effort to contain spending (primary current expenditure fell to a nine-year low: 16.8% of GDP).

The increased lack of external financing exerted pressure on foreign exchange reserves. However, these recovered towards the end of the year (reaching a value equivalent to 4.3 months' import coverage in March 2013), due to two significant disbursements – which even boosted a faster liquidity expansion in the banking system. Indeed, the balance of payments recorded a further improvement – in fact, the three main classes of current revenue (excluding external aid) have increased since 2008 at a pace four times higher than that of imports (despite fears about loss of competitiveness).

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Table A.II.5.1.

MAIN ECONOMIC INDICATO	KS									
		2008	2009	2010	2011	20	12		2013	
		Est.	Est.	Est.	Est.	Prog.	Est.	Prog.	Est.	
OUTPUT AND PRICES										
Nominal GDP	Billions of dobras	2,696	3,185	3,719	4,376	5,063	5,034	5,780		
	EUR millions	124.8	141.5	151.8	178.6		205.5			
	USD millions	183.6	196.5	200.2	246.5	264.8	262.0	312.2		
Real GDP	Annual % change	9.1	4.0	4.5	4.9	4.5	4.0	4.5		
Inflation (Consumer Price Index)	E-o-p % change	24.8	16.1	12.9	11.9	8.3	10.4	8.0	7.2	Jun
	Average % change	32.0	17.0	13.3	14.3	9.0	10.6	9.0	10.6	Jun
PUBLIC FINANCES										
Total revenue	% of GDP	45.1	36.1	39.2	37.1	44.8	33.0	38.4		
Current revenue	% of GDP	16.5	16.6	19.0	18.0	17.4	15.3	16.5		
Grants	% of GDP	28.6	19.5	20.2	18.3	23.4	17.0	20.6		
of which: Debt relief	% of GDP	18.8	1.0	0.7	1.0	0.8	0.6	0.6		
Oil bonuses	% of GDP	0.0	0.0	0.0	0.8	4.0	0.8	1.3		
Total expenditure	% of GDP	30.4	54.1	49.7	49.0	53.7	44.2	51.5		
of which: Current expenditure	% of GDP	20.3	20.2	20.6	19.4	18.7	17.4	17.8		
Capital expenditure	% of GDP	8.1	32.9	28.5	28.9	34.3	26.5	33.2		
Primary domestic balance ^(a)	% of GDP	-6.2	-8.1	-4.1	-3.0	-3.2	-3.2	-3.1		
Overall balance (commitment basis)	% of GDP	14.7	-18.0	-10.4	-12.0	-8.8	-11.2	-13.1		
Excl. debt relief & oil bonuses	% of GDP	-4.1	-19.0	-11.2	-13.7	-13.6	-12.5	-15.0		
Overall balance (cash basis)	% of GDP	14.3	-16.9	-10.4	-11.4	-8.8	-9.3	-13.1		
MONEY AND CREDIT										
Net credit to central govern.	Annual % change	-152.7	37.7	78.4	63.5	-860.5	-459.2	-39.3	-92.8	Mai
Credit to the economy	Annual % change	22.8	39.1	40.0	14.7	5.6	7.9	9.3	11.4	Mai
Broad money	Annual % change	36.9	8.2	25.1	10.5	6.1	18.4	14.4	21.1	Mai
BCSTP reference interest rate	Annual rate	28.0	16.0	15.0	15.0		14.0		14.0	Jun
BALANCE OF PAYMENTS										
Exports f.o.b.	Annual % change	15.2	17.6	18.7	0.5	4.7	10.7	-3.0		
Imports f.o.b.	Annual % change	42.0	-9.1	23.4	11.9	1.0	-0.5	6.6		
Trade account	% of GDP	-45.9	-37.9	-46.2	-42.5	-39.8	-39.3	-35.5		
Services account	% of GDP	-6.4	-4.4	-5.5	-5.3	-7.6	-2.9	-3.0		
Current account	% of GDP	-27.3	-23.0	-26.7	-24.0	-21.8	-22.6	-16.5		
Excluding official transfers	% of GDP	-52.5	-42.9	-50.3	-46.8	-46.0	-41.5	-37.6		
Current and capital account	% of GDP	-8.4	3.9	-26.6	-22.0	-17.8	-21.8	-16.5		
BCSTP net foreign assets	EUR millions	55.9	50.9	40.7	36.4	43.7	43.3	39.8	43.8	Mai
	USD millions	78.8	73.1	53.7	46.5		56.7		55.7	Mai
EXTERNAL PUBLIC DEBT										
Total external public debt	USD millions	110	136	157	183		203		205	Mai
	% of GDP	59.9	69.2	78.6	74.2		77.6			
External debt service	% of exports	86.7	30.4	11.5	16.6		29.7			
EXCHANGE RATES										
Bil. rate STD/EUR (official market)	Average rate	21,602	22,510	24,500	24,500	24,500	24,500	24,500	24,500	Jun
Bil. rate STD/USD (official market)	Average rate		16,208	18,574	17,754		19,211		19,011	
Nominal EERI ^(b) [appreciation: +]	Annual % change	-13.2	-4.0	-6.1	1.5		-1.4			Maj
Real EERI ^(b) [appreciation: +]	Annual % change	9.4	9.8	2.1	9.8		4.5		7.5	Ma

São Tomé and Príncipe **CC**

Sources: Banco Central de São Tomé e Príncipe (BCSTP), Ministry of Finance (São Tomé and Príncipe), IMF and Banco de Portugal calculations.
Notes: (a) Overall balance (commitment basis), excluding grants, oil revenue (signature bonuses and other), debt interest and capital expenditure financed by external sources; (b) Effective exchange rate index (EERI), calculated on the basis of official exchange rates applied to the currencies of the four main trading partners over the period 2005/2009.

Table A.II.5.2.

	2008	2009	2010	2011	201	12	2013
	Est.	Est.	Est.	Est.	Prog.	Est.	Prog
Primary sector	483	584	716	892			
Agriculture, livestock, hunting and forestry	314	371	456	576			
Fishing	152	194	237	290			
Mining and quarrying	17	19	22	26			
Secondary sector	513	550	607	671			
Manufacturing	208	215	246	281			
Electricity, gas and water	69	69	73	74			
Construction	236	266	288	316			
Tertiary sector	1,617	2,058	2,414	2,843			
Trade	616	750	888	1,052			
Accommodation and food	40	43	52	63			
Transportation, storage and communication	339	454	488	525			
Financial activities	262	394	462	542			
Real estate activ., rental and serv. to enterprises	109	135	155	179			
Public admin., defence and social security	112	109	128	151			
Education	11	15	18	21			
Health and social work	8	9	11	15			
Other activities	120	149	210	295			
FISIM ^(a)	-187	-281	-366	-478			
ndirect taxes	270	273	349	447			
GROSS DOMESTIC PRODUCT m.p.	2,696	3,185	3,719	4,376	5,063	5,034	5,78
Consumption	3,314	2,985	3,859	4,253	4,559		5,44
Private	2,848	2,476	3,313	3,579	3,844		4,63
Public	466	508	546	674	715		81
nvestment	794	1,548	1,802	2,173	2,944		2,65
Private	512	606	710	872	1,167		1,11
Public	282	941	1,092	1,301	1,777		1,53
Domestic demand	4,108	4,532	5,661	6,426	7,503		8,10
Exports of goods and services	257	318	450	512	621	572	68
Overall demand	4,365	4,850	6,111	6,938	8,124		8,78
Imports of goods and services	1,669	1,665	2,392	2,563	3,062	2,697	3,00
Memo item:							
GDPmp (real % change)	9.1	4.0	4.5	4.9	4.5	4.0	4.
GDPmp (nominal % change)	38.1	18.1	16.8	17.7	15.7	15.0	14.
Nominal GDP (EUR millions; current prices)	124.8	141.5	151.8	178.6		205.5	
Nominal GDP (USD millions; current prices)	183.6	196.5	200.2	246.5	264.8	262.0	312.

Sources: Banco Central de São Tomé e Príncipe, IMF and Banco de Portugal calculations.

Notes: (a) Financial intermediation services indirectly measured.

Table A.II.5.3.

CON	ISUMER PRICE INDEX Per cent	t			
		Monthly	Cumulative	End-of-period	Average
		change	change	change	change
		[1]	[2]	[3]	[4]
2000	December		9.6	9.6	12.2
2001	December		9.4	9.4	9.2
2002	December		9.0	9.0	10.1
2003	December		10.0	10.0	9.8
2004	December		15.2	15.2	13.3
2005	December		17.2	17.2	17.2
2006	December		24.6	24.6	23.1
2007	December		27.6	27.6	18.5
2008	December		24.8	24.8	32.0
2009	December		16.1	16.1	17.0
2010	December		12.9	12.9	13.3
2011	December		11.9	11.9	14.3
2012	December		10.4	10.4	10.6
2011	January	0.5	0.5	12.8	13.1
	February	0.9	1.4	12.9	12.9
	March	2.2	3.6	14.7	12.9
	April	2.3	5.9	16.7	13.2
	May	0.9	6.8	17.4	13.7
	June	0.3	7.1	16.6	14.1
	July	0.2	7.3	15.1	14.3
	August	0.8	8.1	14.9	14.5
	September	0.3	8.4	13.8	14.5
	October	0.5	8.9	13.2	14.5
	November	1.0	10.0	12.2	14.4
	December	1.8	11.9	11.9	14.3
	December (prog.)			6.0	7.7
	December (revised prog.)			12.0	12.4
2012	January	0.4	0.4	11.8	14.2
	February	0.6	1.0	11.5	14.1
	March	0.3	1.3	9.5	13.6
	April	0.9	2.2	8.0	12.9
	May	1.4	3.6	8.6	12.1
	June	2.4	6.1	10.9	11.7
	July	0.9	7.0	11.6	11.4
	August	0.6	7.6	11.4	11.2
	September	0.3	7.9	11.4	11.0
	October	0.5	8.4	11.4	10.8
	November	0.7	9.1	11.1	10.8
	December	1.2	10.4	10.4	10.6
	December (prog.)			8.3	9.0
2013	January	0.4	0.4	10.4	10.5
	February	0.7	1.1	10.5	10.4
	March	1.0	2.1	11.3	10.6
	April	0.4	2.5	10.7	10.8
	May	0.3	2.8	9.6	10.9
	June	0.2	3.0	7.2	10.6
2013	December (prog.)			8.0	9.0

Sources: Banco Central de São Tomé e Príncipe, IMF and Banco de Portugal calculations.

Notes: [1] month (n) / month (n-1); [2] month (n) / previous December; [3] month (n) / month (n) of the previous year; [4] last 12 months / previous 12 months.

Table A.II.5.4.

	2008	2009	2010	2011	20	12	2013
				Est.	Prog.	Est.	Prog
1. CURRENT ACCOUNT	-50.2	-45.2	-53.5	-59.2	-57.6	-59.1	-51.
1.1. Trade balance	-84.3	-74.6	-92.5	-104.7	-105.3	-103.0	-110.
Exports (f.o.b.)	7.8	9.2	10.9	11.0	11.5	12.2	11.
of which: Cocoa	5.0	5.5	4.3	5.3	4.6	5.3	5.
Re-exports	2.2	3.0	5.2	5.1	6.4	5.8	5.
Imports (f.o.b.)	-92.2	-83.8	-103.4	-115.7	-116.8	-115.1	-122.
of which: Food	-24.2	-29.0	-25.5	-33.6	-32.6	-33.7	-34.
Capital goods	-35.3	-30.0	-36.0	-40.2	-44.1	-35.2	-39.
Fuel	-22.2	-14.7	-15.2	-26.6	-25.8	-27.3	-25.
1.2. Services	-11.8	-8.6	-10.9	-13.0	-20.1	-7.7	-9.
Exports	9.7	10.4	13.4	18.4	21.2	17.6	20.
of which: Travel and tourism	7.7	8.3	11.1	15.6	17.7	14.3	18.
Imports	-21.4	-19.0	-24.3	-31.4	-41.3	-25.3	-30.
of which: Freights and insurance	-17.3	-15.8	-19.2	-23.1		-19.3	
1.3. Income	-0.1	-0.3	-0.4	-0.4	0.8	-3.0	-2.
Credit	1.9	1.6	1.9	1.9		1.0	
Debit	-2.0	-1.9	-2.3	-2.3		-4.0	
of which: Scheduled debt interest	-1.5	-1.4	-1.6	-1.7		-1.9	
1.4. Current transfers	45.9	38.2	50.3	58.9	67.0	54.5	70.
Private transfers	-0.2	-0.9	3.0	2.8	2.9	4.9	5.
Official transfers	46.2	39.2	47.3	56.1	64.1	49.6	65.
of which: Project grants	25.3	26.1	40.1	36.9	50.3	39.0	53.
2. CAPITAL AND FINANCIAL ACCOUNT	71.6	54.9	40.5	64.1	65.2	57.8	47.
2.1. Capital account	34.8	52.8	0.3	5.1	10.4	2.0	0.
Capital transfers	34.8	52.8	0.3	5.1	10.4	2.0	0.
of which: Oil signature bonuses	0.0	0.0	0.0	2.0	10.4	2.0	4.
Debt relief	34.8	52.8	0.3	3.1	0.0	0.0	0.
2.2. Financial account	36.8	2.1	40.2	59.0	54.8	55.8	47.
General government - Loans	-43.8	-28.8	16.8	22.6	15.6	14.6	3.
of which: Disbursements	4.7	28.6	18.2	28.8	18.2	21.5	7.
Amortisation	-48.5	-57.4	-1.5	-6.3	-2.6	-6.9	-4.
Other assets (net)	84.1	35.2	45.0	41.8	10.3	48.9	44.
of which: Foreign direct investment	79.1	15.5	50.5	31.9	12.1	22.2	19.
Short-term capital, errors and omissions	-3.5	-4.3	-21.7	-5.3	28.9	-7.6	0.
3. OVERALL ACCOUNT: (1) + (2)	21.4	9.7	-13.0	4.9	7.5	-1.3	-3.
4. FINANCING	-21.4	-9.7	13.0	-4.9	-7.5	1.3	3.
Chg. in foreign reserves, excl. NOA ^(a) (increase: -)	-24.8	-12.6	10.5	-4.5	1.2	1.4	5.
National Oil Account (increase: -)	2.7	2.4	1.9	-0.5	-9.3	-0.8	-2.
Use of IMF resources (net)	0.7	0.5	0.6	0.0	0.6	0.6	0.
5. FINANCING GAP ^(b) : (4) + (5)	0.0	0.0	0.0	0.0	0.0	0.0	0.
Memo item:							
Current account (% of GDP)	-27.3	-23.0	-26.7	-24.0	-21.8	-22.6	-16.
Current and capital account (% of GDP)	-8.4	3.9	-26.6	-22.0	-17.8	-21.8	-16.

Sources: Banco Central de São Tomé e Príncipe, IMF and Banco de Portugal calculations.

Notes: (a) National Oil Account: NOA; (b) Net borrowing (-)/net lending (+).

Table A.II.5.5.

MERCHANDISE EXPORTS Destinations, as a percentage of total exports												
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 Q1	2003 to 2012
Angola	1.7	1.8	4.1	1.1	1.8	0.9	1.1	2.2	2.1	1.4	6.2	1.7
Belgium	15.1	9.5	11.0	14.2	16.8	7.9	18.9	20.2	29.5	13.9	3.0	16.3
Netherlands	40.7	51.7	39.1	26.9	13.3	28.2	26.8	10.9	37.4	38.8	24.1	31.2
Portugal	33.5	25.5	38.0	33.1	44.9	49.2	32.3	44.4	13.2	7.7	10.5	31.4
Other	9.0	11.5	7.7	24.6	23.2	13.8	20.8	22.3	17.9	38.2	56.1	19.5
Total exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: BCSTP, Ministry of Finance and Planning (São Tomé and Príncipe), IMF and Banco de Portugal calculations.

Table A.II.5.6.

MERCHANDISE IMPORTS Origins, as a percentage of total imports												
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 Q1	2003 to 2012
Angola	10.3	16.0	20.3	18.3	20.1	22.9	14.8	12.1	9.6	21.9	21.8	16.7
Belgium	11.9	8.8	6.1	4.6	2.3	1.7	1.9	1.8	1.7	3.3	2.9	3.3
China	0.7	0.1	0.2	0.3	1.7	0.9	1.4	2.4	2.0	1.4	1.2	1.3
France	3.1	0.5	0.3	1.1	0.3	0.2	0.7	5.0	2.4	0.6	0.7	1.5
Gabon	3.1	1.4	0.6	3.5	2.2	3.0	2.7	5.3	2.0	2.1	1.0	2.8
Japan	3.4	6.0	7.4	0.7	0.2	0.8	4.4	1.2	2.5	1.5	2.1	2.3
Netherlands	0.5	1.0	0.3	0.8	1.4	0.1	0.4	0.5	0.3	0.4	0.5	0.5
Portugal	62.3	60.4	57.1	63.6	66.2	61.3	56.4	60.9	58.9	55.7	59.4	59.9
Other	4.7	5.8	7.7	7.1	5.6	9.2	17.4	10.8	20.6	13.1	10.4	11.7
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: BCSTP, Ministry of Finance and Planning (São Tomé and Príncipe), IMF and Banco de Portugal calculations.

Table A.II.5.7.

EXTERNAL PUBLIC DEBT USD millions	5					
	2008	2009	2010	2011 Est.	2012 Est.	2013 Est. Q1
1. Medium and long-term debt	106.6	122.6	139.7	155.2	165.7	167.1
of which: Arrears	66.0	65.7	69.1	67.7	67.7	67.7
1.1 Multilateral debt	30.6	37.0	38.6	42.1	41.0	40.4
of which: Arrears	0.0	0.0	0.0	0.0	0.0	0.0
BADEA	2.9	4.2	5.1	5.8	5.9	5.8
AfDB/ADF	2.2	2.2	3.2	2.2	2.1	2.1
EIB	2.4	2.1	1.4	0.9	0.9	0.6
IFAD	3.9	5.7	6.5	7.9	8.0	8.0
IMF IDA	3.7	4.4	5.0 13.4	4.9	5.5	5.5 14.1
OPEC	9.7 5.7	13.7 4.7	4.0	14.9 5.5	14.1 4.5	4.3
1.2 Bilateral official debt	49.4	59.8	75.3	87.3	98.9	100.9
of which: Arrears	49.4 39.4	39.8 39.9	43.3	67.5 41.9	98.9 41.9	41.9
1.2.1 Paris Club members	0.0	0.2	0.9	0.9	0.9	0.9
of which: Arrears	0.0	0.0	0.0	0.0	0.0	0.0
Germany Belgium	0.0 0.0	0.0 0.2	0.0 0.9	0.0 0.9	0.0 0.9	0.0 0.9
Spain	0.0	0.2	0.9	0.0	0.9	0.9
France	0.0	0.0	0.0	0.0	0.0	0.0
Russia	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2 Other official creditors	49.4	59.6	74.4	86.4	98.0	100.0
of which: Arrears	39.4	39.9	43.3	41.9	41.9	41.9
Angola	22.0	32.0	32.0	32.0	32.0	32.0
Algeria	1.3	1.3	3.1	0.0	0.0	0.0
China	17.3	17.0	17.0	17.3	17.3	17.3
Equatorial Guinea	0.0	0.0	0.0	0.0	0.0	2.0
Former Yugoslavia	8.8	8.8	8.8	8.8	8.8	8.8
Portugal	0.0	0.4	13.4	28.2	39.8	39.8
1.3 Commercial debt	26.6	25.8	25.8	25.8	25.8	25.8
of which: Arrears	26.6	25.8	25.8	25.8	25.8	25.8
Italy ^(a)	26.6	25.8	25.8	25.8	25.8	25.8
2. Short-term debt	3.4	13.4	17.7	27.7	37.7	37.7
of which: Arrears	3.4	3.4	13.4	17.7	17.7	17.7
Angola	3.4	3.4	3.4	3.4	3.4	3.4
Brazil	0.0	0.0	4.3	4.3	4.3	4.3
Nigeria	0.0	10.0	10.0	20.0	30.0	30.0
TOTAL EXTERNAL PUBLIC DEBT [1 + 2] of which: Arrears	110.0 69.3	136.0 69.1	157.4 82.5	182.9 85.4	203.4 85.4	204.8 85.4
Memo item:						
Scheduled external debt service						
(% of exports of goods and services)	86.7	30.4	11.5	16.6	29.7	
Total external public debt (% of GDP)	59.9	69.2	78.6	74.2	77.6	
Total arrears (% of GDP)	37.8	35.2	41.2	34.7	32.6	

Sources: BCSTP, Ministry of Finance and Planning (STP), IMF and Banco de Portugal calculations.

Notes: (a) Debt in dispute, awaiting a decision by the international court.

Table A.II.5.8.

	2008	2009	2010	2011		2012		201
				Est.	Budg.	Est.		Budg
					-		I.e. ^(a)	-
. Total revenue	1,216	1,149	1,459	1,622	2,269	1,664	73.3	2,22
1.1. Current revenue	444	528	707	787	882	771	87.4	95
Tax revenue	411	472	647	726	828	704	84.9	87
Direct taxes	113	150	181	235	241	222	<i>92.2</i>	25
Indirect taxes	262	247	374	355	448	388	86.5	49
of which: Customs revenue	215	168	312	299	369	334	90.5	43
Other tax revenue	36	75	91	136	139	93	67.3	12
Non-tax revenue	33	56	60	61	54	67	125.2	-
1.2. Grants	771	621	752	800	1,187	855	72.1	1,19
Project grants	165	576	699	674	962	706	73.4	96
Other grants	99	13	25	83	182	121	66.5	19
Debt relief-related grants	507	31	28	43	43	28	65.1	-
1.3. Oil signature bonuses	0	0	0	35	201	38	18.9	
Total expenditure	820	1,724	1,847	2,146	2,716	2,226	81.9	2,9
2.1. Current expenditure	548	642	766	851	947	875	92.4	1,0
Compensation of employees	219	252	338	369	418	419	100.3	4
Goods and services	164	195	191	234	228	198	86.8	2
Subsidies and transfers	103	144	193	181	237	190	79.9	2
Public debt interest	23	16	16	24	32	30	92.2	
Other current expenditure	39	35	28	43	32	39	122.7	
2.2. Capital expenditure	219	1,048	1,060	1,266	1,734	1,336	77.0	1,9
With domestic financing	34	126	87	65	96	74	76.8	
With external financing	185	922	972	1,201	1,638	1,262	77.0	1,8
2.3. HIPC initiative-related social expend.	53	33	21	29	35	14	41.0	
OVERALL BALANCE (commitment basis) [1] - [2]	395	-575	-389	-523	-447	-562		-7
Change in arrears [decrease: -]	21	0	0	65	0	33		
External arrears (interest)	0	0	0	0	0	0		
Domestic arrears	21	0	0	65	0	33		
Items in transit, errors and omissions	-31	37	0	-41	0	61		
OVERALL BALANCE (cash basis) $[3] + [4] + [5]$	385	-538	-388	-499	-447	-468		-7
Financing	-385	538	388	499	447	468		7
7.1. Domestic financing	79	232	132	38	-182	-101		-
Bank credit (net)	-233	232	115	38	100	-101		
of which: National Oil Account	29	21	18	-13	-182	-15		
Non-bank financing of which: Privatisation revenue	312	0	17	0		0		
	312	0	17	0	620	0		0
7.2. External financing	-464	306	256	461	629	569		8
Disbursements (projects)	20	346	293	528	676	532		8
Other disbursements Scheduled amortisation (incl. relief)	29	9	11	1	0	86		
Bilateral rescheduling	-520 7	-49 0	-48 0	-68 0	-47 0	-49 0		-!
-	0			0				
Financing gap [6] + [7]	0	0	0	0	0	0		
Memo items:		40.0	40.4	10 0		11.0		
verall balance, commitment basis (% of GDP)	14.7	-18.0	-10.4	-12.0	-8.8	-11.2		-13
excluding debt relief (% of GDP)	-4.1	-19.0	-11.2	-12.9	-9.7	-11.7		-13
excl. debt relief and oil bonuses (% of GDP)	-4.1	-19.0	-11.2	-13.7	-13.6	-12.5		-15
rimary domestic balance ^(b)	-168	-257	-152	-133	-164	-163		-17
(% of GDP)	-6.2	-8.1	-4.1	-3.0	-3.2	-3.2		-3

Sources: Banco Central de São Tomé e Príncipe, Ministry of Finance and Planning (STP), IMF and Banco de Portugal calculations.

Notes: (a) Level of budget execution, per cent; (b) Overall balance (commitment basis), excluding grants, oil revenue (signature bonuses and other), debt interest and capital expenditure financed by external sources.

Table A.II.5.9.

MONETARY SURVEY End-of-period stocks, billions of Dobras												
	2008	2009	2010	2011	20	12			2013	Mar	2013/	2013
							2012/		Mar		: 2012	D
					Prog.	Est.	(A)	(B)	Est.	(A)	(B)	Prog.
1. NET FOREIGN ASSETS	1,418	1,279	1,364	1,263	1,365	1,487	17.8	14.3	1,617	8.7	7.0	1,409
1.1. Central bank	1,199	1,228	998	891	1,070	1,062	19.2	10.9	1,074	1.2	0.7	975
1.2. Commercial banks	219	50	367	372	295	426	14.5	3.4	543	27.5	6.3	434
2. NET DOMESTIC ASSETS	-371	-145	53	303	296	366	20.7	4.0	265	-27.7	-5.5	712
2.1. Net domestic credit	334	810	1,466	1,728	1,635	1,765	2.2	2.4	1,786	1.2	1.1	1,893
2.1.1. Net credit to cent. gov.	-450	-280	-60	-22	-212	-123	-459.2	-6.5	-151	-22.3	-1.5	-172
2.1.1.1. Gross loans	127	158	261	267	267	236	-11.9	-2.0	251	6.5	0.8	236
2.1.1.2. Deposits	-577	-438	-321	-290	-479	-359	24.1	-4.4	-402	11.9	-2.3	-408
2.1.2. Credit to the economy	784	1,090	1,526	1,750	1,847	1,889	7.9	8.9	1,937	2.5	2.6	2,065
2.2. Other assets and liabilities	-704	-955	-1,412	-1,424	-1,339	-1,399	1.8	1.6	-1,521	-8.7	-6.6	-1,181
3. BROAD MONEY (M3)	1,047	1,133	1,417	1,566	1,661	1,854	18.4	18.4	1,882	1.5	1.5	2,121
3.1. Currency in circulation	120	149	163	177	196	176	-0.9		151	-14.2		192
3.2. Demand deposits	717	718	922	955		1,038	8.6		1,138	9.7		
3.2.1. In national currency	309	288	399	493	523	542	10.0		556	2.6		644
3.2.2. In foreign currency	409	431	524	462		495	7.2		582	17.5		
3.3. Other deposits	210	266	331	434		640	47.7		593	-7.4		
3.3.1. In national currency	105	116	23	53	36	184	249.9		170	-7.5		143
3.3.2. In foreign currency	105	150	308	381		457	<i>19.8</i>		423	-7.4		

Sources: Banco Central de São Tomé e Príncipe, IMF and Banco de Portugal calculations.

Notes: (A) Percent changes from the end of the previous year; (B) Changes in percent of the initial stock of broad money (expansion/contraction determinants).

Table A.II.5.10.

INTEREST RATES Annual rates, per cent												
	2008	2009	2010	2011	2012	2012	2013					
	Dec	Dec	Dec	Dec	Jun	Dec	Mar					
1. BCSTP reference rate	28.0	16.0	15.0	15.0	14.0	14.0	14.0					
2. Lending rates												
2.1. Credit (91-180 days)	31.2	31.2	26.8	26.0	26.0	26.0	26.0					
2.2. Credit (181 days-1 year)	28.7	28.7	27.0	26.0	26.0	26.0	26.0					
2.3. Credit (over 1 year)	28.0	28.0	26.7	26.5	26.5	26.5	26.5					
3. Deposit rates												
3.1. Deposits (up to 90 days)	10.2	10.2	11.6	12.2	12.2	12.2	12.2					
3.2. Deposits (91 days-1 year)	11.3	11.3	13.2	13.7	13.7	13.7	13.7					
3.3. Deposits (over 1 year)	Negotiable	Negotiable	13.9	12.8	12.8	12.8	12.8					
Memo item:												
Memo nem.												
Inflation (end-of-period % change)	24.8	16.1	12.9	11.9	10.9	10.4	11.3					

Sources: Banco Central de São Tomé e Príncipe.

Note: Indicative rates (calculated on the basis of raw information provided by the banks).

Table A.II.5.11.

EXCH	ANGE RATES	5 Average rate	s				
		Euro / Do	bra	USD / Do	bra	EERI ^{(a)(t})
		Exchange	Annual	Exchange	Annual		
		rate	change	rate	change	Nominal	Real
	2000	7,367	-3.7	7,978	12.0	197.8	140.1
	2001	7,901	7.2	8,842	10.8	218.6	133.4
	2002	8,586	8.7	9,088	2.8	236.9	131.7
	2003	10,568	23.1	9,348	2.9	225.1	115.4
	2004	12,306	16.4	9,902	5.9	202.4	106.7
	2005	13,123	6.6	10,519	6.2	191.9	111.4
	2006	15,630	19.1	12,445	18.3	158.4	107.5
	2007	18,558	18.7	13,537	8.8	134.6	103.7
	2008	21,602	16.4	14,685	8.5	116.9	113.4
	2009	22,510	4.2	16,208	10.4	112.3	124.5
	2010	24,500	8.8	18,574	14.6	105.4	127.2
	2011	24,500	0.0	17,754	-4.4	107.0	139.6
	2012	24,500	0.0	19,211	8.2	105.5	145.9
2011	January	24,500	0.0	18,511	7.1	105.8	133.4
	February	24,500	0.0	18,102	0.4	106.3	134.9
	March	24,500	0.0	17,656	-3.0	106.8	136.6
	April	24,500	0.0	17,125	-6.9	107.7	140.0
	May	24,500	0.0	17,183	-12.3	107.5	140.8
	June	24,500	0.0	17,161	-15.1	107.6	141.2
	July	24,500	0.0	17,277	-10.8	107.5	141.2
	August	24,500	0.0	17,220	-10.0	107.6	142.5
	September	24,500	0.0	17,883	-1.8	106.9	140.9
	October	24,500	0.0	18,039	1.5	106.9	140.3
	November	24,500	0.0	18,177	0.9	106.7	141.2
	December	24,500	0.0	18,716	0.1	106.0	142.3
2012	January	24,500	0.0	19,153	3.5	105.5	141.5
	February	24,500	0.0	18,682	3.2	106.1	142.6
	March	24,500	0.0	18,694	5.9	106.1	141.7
	April	24,500	0.0	18,758	9.5	106.0	142.3
	May	24,500	0.0	19,251	12.0	105.4	143.6
	June	24,500	0.0	19,705	14.8	104.9	146.3
	July	24,500	0.0	20,048	16.0	104.5	146.9
	August	24,500	0.0	19,931	15.7	104.6	147.2
	September	24,500	0.0	19,212	7.4	105.5	148.2
	October	24,500	0.0	19,030	5.5	105.7	148.7
	November	24,500	0.0	19,243	5.9	105.5	149.5
	December	24,500	0.0	18,831	0.6	106.0	151.5
2013	January	24,500	0.0	18,858	-1.5	106.4	153.8
	February	24,500	0.0	18,451	-1.2	106.5	154.8
	March	24,500	0.0	19,030	1.8	105.8	153.3
	April	24,500	0.0	18,983	1.2	105.9	154.0
	May	24,500	0.0	19,011	-1.3	105.9	154.4

142.5 140.9

Sources: Banco Central de São Tomé e Príncipe and Banco de Portugal calculations.

Notes: (a) Effective exchange rate index (EERI), calculated on the basis of official rates applied to the currencies of the four main trading partners over the period 2005/2009; (b) An increase/decrease in the EERI (nominal or real) corresponds to an appreciation/depreciation of the dobra. (Index, 100: January 1999).





AREA: 14,600 Km²

CAPITAL CITY: Díli

POPULATION: 1.2 million (2012; source: UN)

CURRENCY: US dollar

The economy of Timor-Leste continued to experience considerably buoyant growth, both in domestic production and the exploitation of energy resources in the Timor Sea. The high level of oil revenue has led to asset accumulation in the Petroleum Fund, along with the funding of an ambitious public expenditure programme, which is addressing the ongoing major social and infrastructural limitations. However, this level of public spending has also caused inflation to remain worryingly high. Thus, the Timorese authorities expect this stimulus to be more contained in the future.

II.6. TIMOR-LESTE – Overview

In 2012 the economy of Timor-Leste followed a positive trend, with non-oil output growing at 10.2% (estimated real rate of change). Oil revenue also rose considerably, despite the average oil price remaining at the previous year's level. The behaviour of inflation remains the greatest reason for concern in the current economic climate, given that it has remained at a persistently high level since early 2012 (around 12%).

Despite a major increase in public expenditure in the past few years, high oil revenue has led to successive fiscal surpluses, that give rise to growing external assets, both in a stricter sense (central bank foreign reserves and commercial banks' external assets) and from a broader viewpoint, as expressed in the Petroleum Fund assets, which amounted to over USD 13 billion in June 2013.

Non-oil GDP is expected to decelerate slightly in 2013, namely as a result of the completion of a number of large public investment projects in the previous year, such as the Hera electric power plant.

MAIN ECONOMIC INDICATOR	S				
	2009	2010	2011	2012 Est.	2013 Prog.
Non-oil real GDP (annual % change)	12.8	9.5	12.0	10.2	8.1
Inflation (average % change)	0.7	6.8	13.5	11.8	11.4
Broad Money (annual % change)	40.3	9.9	10.5	26.2	
Current account (% of non-oil GDP)	155.5	179.4	207.5	184.0	119.0
Fiscal balance (% of non-oil GDP) ^(a)	195.3	205.2	244.6	209.8	45.1
Oil revenue (% of non-oil GDP)	222.7	248.4	306.8	266.4	128.9
Petroleum Fund (% of non-oil GDP)	650.5	739.0	825.3	792.0	793.0
Public debt (% of non-oil GDP)	0.0	0.0	0.0	0.5	2.8

Table II.6.1.

Sources: BCTL, Ministry of Finance (Timor-Leste) and International Monetary Fund.

Notes: (a) Fiscal balance on a cash basis.

Despite the express intention of reducing the fiscal policy stimulus as of 2015, the Timorese authorities expect the country to be able to achieve the status of a middle income economy by 2030, in line with the projections in the Strategic Development Plan approved in 2011. This Plan was well received by international financial institutions and by the development partner community in general.

Achieving this middle income status will pose a major challenge, taking into account weaknesses that still exist in terms of skilled human resources and constraints on economic development resulting from ongoing substantial insufficiencies in terms of public services (education, health), infrastructure (water networks and sewage, roads, ports, production and distribution of electricity), the small size of the economy and the high costs due to the insular nature of the Timorese economy.

At the political and institutional level, in 2012 there were presidential and parliamentary elections (the latter leading to the renewal of the former coalition government). On the other hand, the presence of the United Nations mission in Timor-Leste – started in 1999, following a referendum on territorial sovereignty – came to an end.

The end of the presence of the UN mission should not reflect, however, less involvement of the development partner community, given that the role of these institutions in technical assistance is acknowledged as a potential catalyst in the development process. In that sense, the Timorese authorities have once again expressed their interest in pursuing projects with the support of those partners, even if funding is eventually secured through debt-generating modalities, as was already the case (on a very small scale) in 2012.

An effort to modernise statistical coverage is being pursued, notably with the update of the national accounts for 2011 (published for the first time in 2012, covering the 2000-2010 period), making it possible to have a breakdown of output by economic sectors, as well as a breakdown of final demand and income. The updating of the consumption basket used to calculate inflation is also quite positive. Since January 2013 this basket has been based on the results of the Survey on Household Income and Consumption held in 2011. Price developments for the first time had a nationwide scope, and ceased to only reflect the situation in the capital city.

Transparent management of Timor-Leste's Petroleum Fund continues to be internationally acknowledged as an example to be followed by other countries. Most recently, a revision of the guidelines followed in this Fund's management fostered diversification of eligible assets and increased recourse to external managers, in an attempt to reach higher profitability levels in the context of contained risk exposure.

Table A.II.6.1.

MAIN ECONOMIC INDICAT				_					
		2008	2009	2010	2011	20			2013
					Est.	Prog.	Est.	Prog.	Est.
OUTPUT AND PRICES									
Gross domestic income ^(a)	USD millions	3,257	2,565	3,295	4,803	3,861	5,309	5,204	
Non-oil GDP	USD millions	694	827	934	1,128	1,252	1,487	1,791	
	Real % change	14.6	12.8	9.5	12.0	10.0	10.2	8.1	
Inflation (CPI)	E-o-p % change	7.5	1.8	9.2	17.4	8.0	11.7	11.0	12.0 Ju
	Avg. % change	9.0	0.7	6.8	13.5	8.0	11.8	11.4	12.0 Ju
PUBLIC FINANCES									
Total revenue	% of non-oil GDP	353.6	264.7	290.2	341.8	177.8	290.2	137.1	
Domestic revenue	% of non-oil GDP	7.6	8.0	9.0	9.8	10.9	9.0	8.2	
Oil revenue (oil and gas)	% of non-oil GDP	345.8	222.8	248.3	306.8	166.9	266.5	128.9	
Total expenditure (cash basis)	% of non-oil GDP	76.8	69.3	85.0	97.1	135.1	80.5	92.0	
Current expenditure	% of non-oil GDP	51.6	44.0	56.5	44.4	57.0	46.7	46.9	
Capital expenditure	% of non-oil GDP	25.2	25.3	28.7	51.9	76.5	33.7	45.0	
Fiscal balance (cash basis)	% of non-oil GDP	276.7	195.4	205.2	244.6	44.0	209.7	45.1	
Public debt	% of non-oil GDP	0.0	0.0	0.0	0.0	3.4	0.5	2.8	
Petroleum Fund	USD millions	4,197	5,377	6,904	9,310	9,300	11,775	14,206	13,624 Ju
	% of non-oil GDP	, 605.0	650.5	, 739.0	825.4	, 742.8	, 791.9	, 793.2	
Money and credit									
Net foreign assets ^(b)	% of non-oil GDP	59.2	56.2	71.1	61.1		79.3		51.3 Ju
-	Annual % change	23.7	12.5	40.4	10.8		71.2		-22.1 Ju
	Months of imports	6.5	4.8	5.9	4.6		8.5		6.1 Ju
Net domestic assets	% of non-oil GDP	-30.4	-22.1	-37.3	-32.1		-51.6		-31.1 Ju
	Annual % change	15.9	-13.8	87.4	10.7		111.7		-27.4 Ju
Broad Money ^(c)	% of non-oil GDP	28.8	34.1	33.7	28.9		27.7		20.2 Ju
2	Annual % change	33.1	40.3	9.9	10.5		26.2		-12.3 Ju
BALANCE OF PAYMENTS									
Current account	% of non-oil GDP	292.5	155.5	179.4	207.5	188.8	184.2	119.4	
Trade account	% of non-oil GDP	-41.0	-39.0	-29.7	-30.9	-63.0	-43.0	-40.8	
Merchandise exports ^(d)	% of non-oil GDP	2.0	1.8	3.1	2.2	2.6	2.2	2.1	
	Annual % change	111.5	3.6	97.6	-13.8	-3.0	32.0	12.1	
Merchandise imports	% of non-oil GDP	43.1	40.8	32.8	132.4	66.0	45.2	42.8	
·	Annual % change	70.1	12.9	-9.2	44.2	119.0	79.7	14.1	
Current and capital balance	% of non-oil GDP	294.9	158.8	185.7	209.8	144.0	185.7	119.4	
Overall balance	% of non-oil GDP	-2.9	4.8	16.7	4.9	12.8	28.4	-9.0	

Sources: BCTL, Ministry of Finance (Timor-Leste), IMF and Banco de Portugal calculations.

Notes: (a) Includes income from the off-shore exploration of oil and gas; (b) Does not include Petroleum Fund assets; (c) Currency in circulation only includes coins (centavos, sub denominations of the USD) issued by the ABPTL/ Banco Central de Timor-Leste, excluding USD banknotes in circulation, owing to the absence of reliable indicators on cash inflows and outflows (within the context of the official dollarisation); (d) Oil revenue is accounted for in the income account, and therefore is not included in merchandise exports due to lack of broken-down data.

Table A.II.6.2.

GROSS DOMESTIC PRODUCT Current prices,	USD mill	ions				
	2008	2009	2010	2011	2012 Est.	2013 Prog.
						3
Agriculture, fishing and forestry	171.4	173.3	190.5	189.1		
Mining and quarrying	3,741.8	2,466.5	3,257.9	4,668.5		
of which: Oil and gas	3,733.7	2,456.8	3,246.3	4,653.6	4,945.0	4,514.0
Manufacturing	27.3	32.8	34.6	40.6		
Construction	90.1	137.3	155.1	242.4		
Trade and services	304.9	344.2	374.0	415.3		
Trade (whole and retail)	167.3	188.7	201.6	214.6		
Telecommunications	30.6	38.3	44.8	55.9		
Financial activities	15.7	17.9	19.0	20.7		
Real estate activities	71.3	74.3	84.0	94.6		
Professional, scient., technical and admin. activitie	5.0	6.7	7.5	9.4		
Other services	15.0	18.3	17.1	20.1		
Public administration	93.8	147.3	174.5	228.6		
Non-oil GDP (at factor costs)	695.6	844.6	940.3	1,130.9		
Non-oil GDP (market prices)	693.7	826.6	934.2	1,128.1	1,487.0	1,791.0
Total GDP (incl. oil production)	4,438.5	3,298.5	4,215.6	5,797.4	6,432.0	6,305.0
Consumption	1,238.5	1,415.7	1,551.0	1,683.1		
Private consumption	510.7	568.9	636.7	681.3		
Government consumption	727.8	846.8	914.3	1,001.8		
Gross investment	203.1	490.3	549.8	800.1		
GFCF	202.3	489.4	548.7	798.7		
Changes in inventories	0.8	0.9	1.1	1.4		
Domestic demand	1,441.6	1,906.0	2,100.8	2,483.2		
Exports of goods and services (incl. oil and gas)	4,258.6	3,066.2	3,959.8	5,351.8	5,047.0	
Overall demand	5,700.2	4,972.2	6,060.6	7,835.0		
Imports of goods and services	1,261.7	1,673.7	1,845.0	1,998.1	1,662.0	
Memo item:						
Non-oil GDP (nominal % change)	24.1	19.2	13.0	20.8	31.8	20.4
Gross domestic income	3,257.0	2,564.5	3,295.3	4,802.6	5,308.7	5,204.0
Oil income, incl. interest from investments	2,400.0	1,845.0	2,323.0	3,258.0	3,960.0	3,273.0
Non-oil GDP (real % change)	14.6	12.8	9.5	12.0	10.2	8.1
Gross domestic income (nominal % change)	69.4	-21.3	28.5	45.7	10.5	-2.0

Sources: Banco Central de Timor-Leste, Ministry of Finance (Timor-Leste) and International Monetary Fund.

Table A.II.6.3.

CON	SOMER PRICE II	NDEX Per cent			
		Monthly	Cumulative	Year-on-year	Average
		change	change	change	change
		[1]	[2]	[3]	[4]
2002	December		9.5	9.5	
2003	December		4.2	4.2	7.2
2004	December		1.8	1.8	3.2
2005	December		0.9	0.9	1.1
2006	December		7.3	7.3	3.9
2007	December		8.6	8.6	10.3
2008	December		7.5	7.5	9.0
2009	December		1.8	1.8	0.7
2010	December		9.2	9.2	6.8
2011	December		17.4	17.4	13.5
2012	December		11.7	11.7	11.8
2011	January	1.1	1.1	8.3	7.2
	February	3.7	4.8	11.1	7.7
	March	3.1	8.1	14.1	8.4
	April	-0.1	8.0	13.7	9.1
	May	0.1	8.2	13.5	9.7
	June	0.4	8.6	13.7	10.3
	July	0.2	8.8	13.2	10.8
	August	0.2	9.0	13.0	11.2
	September	1.0	10.1	13.8	11.7
	October	0.9	11.1	14.4	12.3
	November	1.8	13.1	15.5	12.8
	December	3.7	17.4	17.4	13.5
2012	January	1.4	1.4	17.7	14.3
	February	-0.7	0.6	12.6	14.4
	March	0.7	1.4	10.1	14.0
	April	0.8	2.2	11.0	13.8
	May	0.3	2.5	11.2	13.6
	June	0.2	2.7	11.0	13.3
	July	0.3	2.9	11.1	13.1
	August	0.4	3.3	11.3	13.0
	September	1.1	4.4	11.4	12.8
	October	1.1	5.5	11.5	12.5
	November	1.9	7.6	11.6	12.2
	December	3.8	11.7	11.7	11.8
2013	January	1.3	1.3	11.2	11.3
	February	0.6	1.9	12.7	11.3
	March	1.0	2.9	12.2	11.4
	April	0.5	3.4	12.6	11.6
	May	0.3	3.7	12.6	11.7
	June	0.3	4.0	13.0	11.9
	July	-0.4	3.6	12.0	12.0
	December (pro	og.)		11.0	11.4

Timor-Leste **66**

Sources: Banco Central de Timor-Leste, Ministry of Finance (Timor-Leste) and Banco de Portugal calculations.

Notas: From January 2013 onwards inflation is calculated using the new CPI (Dec. 2012 = 100) based on the consumption basket computed in the Survey on Household Income and Consumption - 2011 and covers the entire territory of Timor-Leste (until then it referred only to Dili).

[1] month (n) / month (n-1); [2] month (n) / previous December; [3] month (n) / month (n) of the previous year ; [4] last 12 months / previous 12 months.

Table A.II.6.4.

BALANCE OF PAYMENTS USD millions							
	2008	2009	2010	2011	201	12	2013
				Est.	Proj.	Est.	Prog.
1. CURRENT ACCOUNT	2,029	1,285	1,676	2,340	1,773	2,739	2,138
1.1. Trade account	-285	-323	-277	-349	-795	-639	-730
Exports ^(a)	14	15	29	25	33	33	37
of which: Coffee	13	8	17	12	30	19	
Imports	-299	-337	-306	-374	-829	-672	-767
of which: Food	-48	-50	-32		-52	-76	
Manufactures	-169	-263	-257		-668	-583	
1.2. Services	-433	-776	-961	-1,415	-641	-921	-974
Exports	46	52	75	79	103	69	
of which: Travel	16	16	31	24	50	21	
Imports	-478	-828	-1,036	-1,494	-744	-990	
of which: relating to the UN and donors	-364	-375	-351		-362		
1.3. Income	2,410	1,933	2,435	3,578	2,847	3,874	3,842
of which: Oil revenue ^(b)	2,399	1,660	2,110	3,240	2,821	3,559	3,273
1.4. Current transfers	337	451	480	527	363	425	
2. CAPITAL AND FINANCIAL ACCOUNT	-2,049	-1,246	-1,492	-2,285	-1,614	-2,304	-2,299
Capital account		27	31	26		23	
Financial account	-2,057	-1,273	-1,536	-2,273	-1,644	-2,327	
of which: Investment of oil savings	-2,003	-1,325	-1,509	-2,407	-1,585	-2,282	
tems in transit, errors and omissions	-9	0	-15	-38	0	-14	(
3. OVERALL BALANCE	-20	39	156	55	160	422	-161
4. FINANCING	20	-39	-88	-55	-160	-422	161
Change in net foreign assets (increase: -)	20	-39	-88	-55	-160	-422	161
Memo item:			(as a perce	ntage of nor	1-oil GDP)		
Oil income ^(b)	345.8	200.8	225.9	287.2	300.4	239.3	182.7
Current account	292.5	155.5	179.4	207.5	188.8	184.2	119.4
Current account (excl. international assistance)	241.3	111.7	145.1	207.5	188.8	184.2	119.4
Current and capital account	294.9	158.8	185.7	209.8	192.0	184.2	119.4

Sources: BCTL, Ministry of Finance (Timor-Leste), IMF and Banco de Portugal calculations.

Notes: (a) Oil revenue is accounted for in the income account, and therefore is not included in merchandise exports owing to lack of broken-down data; (b) Includes interest from oil income investments.

Table A.II.6.5.

MERCHANDISE	EXPORTS	5 Destii	nations,	as a pe	rcentag	e of tota	al expor	ts		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2004 to 2012
Australia	12.5	5.5	3.6	7.8	2.1	3.0	4.1	2.3	0.3	3.1
Germany	5.9	20.7	24.2	2.4	26.3	27.9	25.3	45.1	25.4	26.1
Indonesia	17.1	5.0	13.6	5.0	16.4	4.9	4.2	3.7	0.9	6.4
Japan	1.2	1.2	1.4	0.0	5.0	4.7	3.7	5.4	3.8	3.6
Portugal	7.8	11.9	2.1	2.6	6.3	8.9	4.3	0.9	0.6	4.1
Singapore	2.2	1.1	7.6	17.6	10.8	3.4	9.0	4.2	36.0	14.9
United States	47.5	49.1	40.8	45.9	26.2	33.8	43.2	23.3	26.1	33.7
Other	5.9	5.4	6.7	18.7	6.9	13.4	6.1	15.1	6.9	8.1
Total exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: BCTL, Ministry of Finance (Timor-Leste) and Banco de Portugal calculations.

Table A.II.6.6.

MERCHANDISE	IMPORTS	5 Origiı	ns, as a i	percenta	age of t	otal imp	orts			
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2004 to 2012
Australia	17.7	13.9	12.5	29.2	13.8	16.7	13.6	4.8	3.6	10.6
China	0.9	1.7	2.5	2.7	2.1	4.1	8.4	18.8	6.6	6.9
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.2	21.5	34.6	13.6
Indonesia	52.9	47.0	43.0	22.7	42.5	32.6	36.6	30.7	22.5	32.6
Japan	1.1	10.4	2.5	7.4	2.3	2.7	3.7	1.8	3.5	3.4
Portugal	1.5	1.6	2.2	0.7	1.2	3.4	2.7	1.5	1.6	1.9
Singapore	13.3	14.6	19.4	11.3	17.1	18.9	18.7	6.8	6.9	12.4
Vietnam	4.8	4.5	5.0	1.7	7.0	12.2	5.3	2.3	4.7	5.5
Other	7.7	6.4	12.8	24.3	14.0	9.3	10.9	11.8	16.0	8.2
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: BCTL, Ministry of Finance (Timor-Leste) and Banco de Portugal calculations.

Notes: Excludes imports under the UN, diplomatic representations and donors.

Table A.II.6.7.

GOVERNMENT OPERATIONS ^(a) USD n	nillions							
	2008	2009	2010	2011		2012		2013
				Est.	Budg. ^(a)	Est.	I.e. ^(b)	Budg
Total revenue	2,453	2,188	2,711	3,855	2,226	4,315	194%	2,45
Domestic revenue	53	66	84	110	136	134	99%	14
Direct taxes	19	13	19	28	41	39	97%	4
Indirect taxes	19	30	26	52	55	57	105%	6
Other revenue	15	23	39	30	41	38	91%	4
Oil revenue	2,399	1,842	2,320	3,461	2,090	3,962	190%	2,30
Donativos	1	280	308	284	0	219		
Fotal expenditure (cash basis)	533	573	794	1,096	1,692	1,196	71%	1,64
Current expenditure	358	364	527	510	733	695	95%	84
Compensation of employees	53	86	93	115	139	131	95%	16
Goods and services	154	158	243	249	360	341	95%	44
Transfers and subsidies	151	120	192	146	235	222	95%	23
Capital expenditure	175	209	268	585	958	502	52%	80
Overall balance (cash basis)	1,920	1,615	1,917	2,759	534	3,119		80
Overall balance (excl. oil revenue)	-479	-227	-403	-701	-1,555	-844		-1,50
inancing	479	227	711	701	1,555	844		1,50
Change in cash balances (increase: -)	-11	23	-125	-82	0	-429		67
Drawings from the Petroleum Fund	396	512	811	1,055	1,495	1,465		78
Indebtedness - disbursements	0	0	0	0	43	8		4
Other ^(c) (increase: -)	94	-309	25	-272	17	-193		
Memo item:								
Total GDP	4,439	3,299	4,216	5,797	4,073	6,432		6,30
Non-oil GDP	694	827	934	1,128	1,252	1,487		1,79
Overall balance, cash basis (% of non-oil GDP)	277	195	205	245	43	210		4
excl. oil revenue	-69	-27	-43	-62	-124	-57		-8
Petroleum Fund (cumulated)								
USD millions (end-of-period)	4,197	5,377	6,904	9,310	9,300	11,775		14,20
% of non-oil GDP	605	650	739	825	743	792		79

Sources: BCTL, Ministry of Finance (Timor-Leste), IMF and Banco de Portugal calculations.

Notes: (a) Central Administration Budget (excludes public expenditures financed by donors); (b) Level of budget execution, per cent; (c) Including items in transit, errors and omissions.

Table A.II.6.8.

MONETARY SURVEY USD millions										
	2008	2009	2010	2011		2012			2013	
	Dec	Dec	Dec	Dec	Dec	2012	2012 / 2011	Jun	Jun 13	Jun13 /Dec12
						[1]	[2]		[1]	[2]
NET FOREIGN ASSETS	393	443	622	689	1,179	71.2	150.3	918	-22.1	-63.4
Foreign assets	421	469	650	756	1,251	65.4	151.7	1,036	-17.2	-52.3
Banco Central de Timor-Leste	210	250	406	498	884	77.6	118.3	632	-28.4	-61.0
Commercial banks	211	219	244	259	368	42.2	33.4	404	9.7	8.7
Foreign liabilities	-28	-26	-28	-68	-73	7.9	-1.6	-18	-75.2	13.3
Banco Central de Timor-Leste	0	-12	-12	-14	-12	-17.7	0.8	-12	-1.9	0.1
Bancos comerciais	-28	-14	-16	-53	-61	14.8	-2.4	9-	-89.5	13.3
NET DOMESTIC ASSETS	-202	-174	-327	-362	-767	111.7	-124.0	-557	-27.4	51.0
Net claims on government	-230	-206	-331	-413	-841	103.9	-131.4	-571	-32.1	65.5
Gross loans	12	-	22	9	0	-100.0	-1.8	0	0.0	0.0
Deposits	-241	-207	-353	-419	-841	101.0	-129.6	-571	-32.1	65.5
Credit to the private sector	66	104	110	133	160	20.5	8.4	170	6.0	2.3
Other assets (net)	-72	-72	-105	-83	-86	4.0	-1.0	-156	81.1	-16.9
BROAD MONEY	191	268	295	326	412	26.2		361	-12.3	
Currency in circulation ^(a)	2	m	m	4	ŋ	23.5		5	12.4	
Demand deposits	102	155	138	163	206	26.5		177	-14.0	
Time deposits and other deposits	87	111	154	160	201	26.0		179	-11.2	
Memo item:										
Petroleum Fund assets (USD millions)	4, 197	5,377	6, 904	9,310	11,775	26.5		13,624	15.7	
Net foreign assets <i>(in months of imports)</i> $^{(0)}$	6.5	4.8	5.9	4.6	8.5			6.1		

Sources: BCTL, IMF and Banco de Portugal calculations.

Notes: (a) This aggregate only includes coins (centavos, sub denominations of the USD) issued by Banco Central de Timor-Leste, excluding USD banknotes in circulation, owing to the absence of reliable indicators on cash inflows and outflows, within the context of the official dollarisation; (b) Imports of goods and services. [1] Change from the end of the previous year; [2] Change from the broad money at the end of the previous year (liquidity expansion/contraction factors).



Table A.II.6.9.

	dollar		Euro	EERI ^{(a)(b)}	
	dollar USD/AUD	rupiah USD/IDR	EUR/USD	Nominal	Re
2000	1.73	8,402	0.92	92.31	Re
2001	1.93	10,260	0.90	106.84	101.
2002	1.84	9,319	0.94	100.12	92.
2002	1.54	8,574	1.13	91.65	86.
2003	1.36	8,938	1.24	91.05	85.
2005	1.31	9,709	1.24	94.54	83.
2005	1.33	9,167	1.24	90.67	77.
2007	1.20	9,140	1.20	87.63	78
2008	1.20	9,690	1.47	89.29	80.
2009	1.28	10,412	1.39	94.95	83.
2010	1.09	9,085	1.33	83.85	75.
2010	0.97	8,777	1.39	78.91	77.
2012	0.97	9,384	1.29	81.84	86
2011 January	1.00	9,040	1.34	81.24	74
February	0.99	8,913	1.36	80.25	76
March	0.99	8,760	1.40	79.29	77
April	0.95	8,651	1.44	77.75	76
May	0.94	8,565	1.43	77.01	75
June	0.94	8,564	1.44	77.06	75
July	0.93	8,533	1.43	76.43	74
August	0.95	8,532	1.43	76.69	74
September	0.98	8,766	1.38	78.88	77
October	0.99	8,895	1.37	80.12	78
November	0.99	9,015	1.36	80.79	80
December	0.99	9,088	1.32	81.38	84
	0.96		1.29	80.86	
2012 January		9,109	1.29		84
February March	0.93	9,026		79.55	82
	0.95	9,165	1.32	80.59	83
April	0.97	9,176	1.32	80.82	84
May	1.00	9,290	1.28	82.12	86
June	1.00	9,451	1.25	83.19	86
July	0.97	9,442	1.23	82.42	85
August	0.95	9,490	1.25	82.18	85
September	0.96	9,556	1.29	82.39	86
October	0.97	9,598	1.30	82.64	87
November	0.96	9,627	1.28	82.60	88
December	0.95	9,679	1.31	82.69	92
2013 January	0.95	9,723	1.33	83.00	92.
February	0.97	9,684	1.34	83.21	93
March	0.97	9,710	1.30	83.48	93
April	0.96	9,723	1.30	83.33	94
May	1.01	9,760	1.30	84.41	95.
June	1.06	9,914	1.32	86.15	97

Sources: BCTL, Bank Indonesia, Reserve Bank of Australia, Monetary Authority of Singapore and Banco de Portugal; Banco de Portugal

calculations. (a) Effective exchange rate index (EERI), calculated on the basis of rates applied to the three main trading partners over the period 2004/2012; (b) An increase/decrease in the EERI (nominal or real) corresponds to an appreciation/depreciation of the Notes: USD (Index, 100: January 2001).

PORTUGAL'S ECONOMIC AND FINANCIAL

III. PORTUGAL'S ECONOMIC AND FINANCIAL RELATIONSHIPS WITH PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE – Overview

In 2012 the share of the Portuguese-speaking African countries and Timor-Leste in Portuguese trade in goods with the rest of the world strengthened, accounting for 8% of exports and 3.3% of imports, contrasting with a fall of nearly 60% in Portuguese gross investment in these countries.

The official debt of Portuguese-speaking African countries to Portugal increased in 2012, chiefly due to higher recourse to State-guaranteed debt, namely through export credit insurance. Relations with Angola are clearly dominant in this group of countries, accounting for 83% of exports, 99% of imports, 72% of gross investment and 45% of the official debt.

Table III.1.

PORTUGUESE BANKS LESTE as at July 2013	REPRESENTED IN PORTUGUES	SE-SPEAKING AFRICAN C	OUNTRIES AND TIMOR-
Country / Bank	Form of Representation	Country / Bank	Form of Representation
Angola		Mozambique	
Banco BPI Banco Com. Português Banco Espírito Santo Banco Espírito Santo Banco Santander Totta ^(a) Caixa Geral Depósitos ^(a) Caixa Geral Depósitos Montepio Geral	Banco de Fomento Angola Banco Millenium Angola Representation office Banco Espírito Santo Angola Banco Caixa Geral Totta de Angola Banco Caixa Geral Totta de Angola Banco Promoção e Desenvolvimento Finibanco Angola	Banco BPI ^(a) Banco Com. Português Banco Espírito Santo ^(a) Caixa Geral Depósitos Caixa Geral Depósitos	Banco Comercial e Investimentos Banco Internac. de Moçambique Moza Banco Banco Comercial e Investimentos Banco Nacional de Investimentos
Cape Verde		São Tomé and Príncipe	
Banco Espírito Santo BANIF, SGPS Caixa Geral Depósitos Caixa Geral Depósitos ^(a)	Banco Espírito Santo Cabo Verde Banco Cabo-Verdiano de Negócios Banco Interatlântico Banco Comercial do Atlântico	Caixa Geral Depósitos ^(a)	Banco Internac. S. Tomé e Príncipe
established in an off-shoi	re financial centre ^(b)	Timor-Leste	
Caixa Central CAM Caixa Central CAM Montepio Geral Banco Espírito Santo	Branch CA Finance - Gestão de Activos Banco Montepio Geral Cabo Verde Branch	Caixa Geral Depósitos	Branch

Source: Banco de Portugal.

Notes: (a) Minority stake; (b) The holding company created within BPN's privatisation process (called Parparticipadas, SGPS, SA) still holds BPN I.F.I. in Cape Verde.

Table A.III.1.

AND EXPORTS (PORTUGAL'S PERSPECTIVE) | EUR millions Guinea-S.Tomé and Mozambique Cape Verde **Timor-Leste** TOTAL Angola Bissau Príncipe Imp. Exp. Imp. Exp. Imp. Exp. Imp. Exp. Imp. Exp. Imp. Exp. Imp. Ехр. 1,061 1,210 1,531 1,684 2,070 408 2,261 2,690 2,236 2,656 1,901 2,404 2011 1,178 2,330 1,231 2,916 2012 1,781 1,808 3,628

PORTUGAL/PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE: MERCHANDISE IMPORTS

Source: Statistics Portugal (INE).

Table A.III.2.

-			WITH F ADE Pe		GUESE-S	PEAKI	NG AFRI	CAN CO	DUNTRI	es and	D TIMOF	R-LESTE	IN	
	Ang	jola	Cape	Verde	Guir Biss		Mozan	nbique	S.Tom Prín		Timor	-Leste	το	TAL
	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.
1996	0.0	1.6	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1			0.2	2.5
1997	0.1	1.8	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1			0.3	2.7
1998	0.1	1.6	0.0	0.5	0.0	0.1	0.1	0.3	0.0	0.1			0.2	2.5
1999	0.0	1.2	0.0	0.6	0.0	0.1	0.1	0.3	0.0	0.1			0.2	2.2
2000	0.1	1.4	0.0	0.6	0.0	0.1	0.1	0.3	0.0	0.1			0.3	2.4
2001	0.3	1.8	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1			0.4	2.7
2002	0.2	2.0	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1	0.0	0.0	0.3	2.9
2003	0.0	2.2	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1	0.0	0.0	0.1	3.0
2004	0.0	2.2	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1	0.0	0.0	0.1	2.9
2005	0.1	2.6	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1	0.0	0.0	0.1	3.4
2006	0.1	3.4	0.0	0.5	0.0	0.1	0.1	0.2	0.0	0.1	0.0	0.0	0.2	4.3
2007	0.6	4.4	0.0	0.6	0.0	0.1	0.0	0.2	0.0	0.1	0.0	0.0	0.7	5.4
2008	0.7	5.8	0.0	0.7	0.0	0.1	0.1	0.2	0.0	0.1	0.0	0.0	0.7	6.9
2009	0.3	7.0	0.0	0.7	0.0	0.1	0.1	0.4	0.0	0.1	0.0	0.0	0.4	8.3
2010	1.0	5.1	0.0	0.7	0.0	0.1	0.1	0.4	0.0	0.1	0.0	0.0	1.1	6.4
2011	2.1	5.4	0.0	0.6	0.0	0.1	0.1	0.5	0.0	0.1	0.0	0.0	2.1	6.8
2012	3.3	6.6	0.0	0.5	0.0	0.2	0.0	0.6	0.0	0.1	0.0	0.0	3.3	8.0

Source: Statistics Portugal (INE).

PORTUGAL/PORTUGUESE-SPEAKING AFRICAN COUNTRIE	VFRICAN CO	UNTRIES	AND TIM	OR-LESTE	S AND TIMOR-LESTE: EXPORTS BY GROUP	BY GRO	UP OF PRO	OF PRODUCTS (PORTUGAL'S PERSPECTIVE) EUR millions	ORTUGAI	'S PERSP	ECTIVE)	EUR millid	suc	
				2011							2012			
	Angola C. Verde	C. Verde	G. Bissau	Mozamb.	S. Tomé	Timor-L.	Total	Angola	C. Verde	G. Bissau	Mozamb.	S. Tomé	Timor-L.	Total
Agricultural	183.21	31.45	3.61	5.54	7.16	0.24	231.21	194.22	30.57	2.64	8.64	7.96	0.54	244.58
Food	423.38	33.43	13.36	17.47	10.19	0.81	498.65	481.27	29.51	12.28	21.91	10.78	1.15	556.89
Mineral fuels	53.38	4.87	22.41	2.10	1.68	00.00	84.44	34.75	4.59	34.85	3.17	1.22	0.02	78.61
Chemicals	165.93	21.29	1.55	13.04	3.38	0.01	205.19	207.05	18.92	1.18	15.78	3.49	0.04	246.45
Plastics, rubber products	105.31	14.30	1.10	9.98	2.00	0.05	132.74	144.48	11.39	1.16	12.95	2.12	0.06	172.16
Leather, leather products	5.26	1.88	0.02	0.62	0.09	0.00	7.88	6.71	1.92	0.02	0.83	0.10	00.00	9.58
Wood, cork	24.34	4.79	0.23	2.04	0.20	0.04	31.64	28.26	4.00	0.27	3.21	0.21	0.02	35.97
Pulp, paper	79.47	8.20	0.41	13.52	0.97	0.69	103.26	94.58	7.11	0.42	16.44	0.67	1.50	120.73
Textile products	29.61	3.78	0.40	2.15	0.44	0.06	36.43	36.29	2.97	0.51	4.27	0.43	0.12	44.59
Clothing	33.23	3.10	0.23	1.90	0.89	0.01	39.35	42.38	2.63	0.67	3.21	0.71	0.01	49.61
Footwear	13.14	0.47	0.13	1.17	0.26	00.00	15.17	14.75	0.36	0.27	1.83	0.32	00.00	17.53
Minerals, ores	93.97	22.28	6.19	7.35	2.06	0.08	131.93	110.07	19.46	4.55	8.68	2.52	0.03	145.32
Base metals	301.16	27.95	2.94	23.36	3.27	0.50	359.17	440.02	22.45	2.18	32.76	3.61	0.62	501.65
Machinery, equipment	508.79	51.60	6.85	81.54	7.73	2.07	658.58	741.35	40.79	5.22	109.36	6.73	3.26	906.70
Motor vehicles, other transport equipment	96.57	11.74	2.99	19.83	4.08	0.16	135.38	147.25	7.04	3.25	23.64	2.60	0.10	183.87
Optical and precision instruments	56.82	2.85	0.20	3.39	0.77	0.02	64.05	62.51	3.47	0.10	4.40	0.80	0.01	71.29
Other products	156.45	9.81	1.65	11.88	1.37	0.15	181.31	211.85	9.55	1.68	16.99	2.06	0.57	242.70
Total	2,330.03	253.79	64.25	216.88	46.54	4.90	2,916.39	2,997.78	216.73	71.25	288.08	46.33	8.06	3,628.22
Solurce: Statistics Portugal (INF)														

Table A.III.3.

Source: Statistics Portugal (INE).

Portugal's economic and financial relationships with Portuguese-speaking African Countries and Timor-Leste

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PORTUGAL/PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE: IMPORTS BY GROUP OF PRODUCTS (PORTUGAL'S PERSPECTIVE) EUR millions	FRICAN CO	UNTRIES ,	AND TIM	OR-LESTE	: IMPORTS	BY GROI	JP OF PRO	DUCTS (P(ORTUGAL	'S PERSPE	CTIVE) E	UR millio	ns	
				2011							2012			
	Angola	C. Verde	G. Bissau	Mozamb.	S. Tomé	Timor-L.	Total	Angola	C. Verde	G. Bissau	Mozamb.	S. Tomé	Timor-L.	Total
Agricultural	2.31	0.78	0.05	9.55	0.12	0.95	13.76	0.76	0.99	0.02	7.52	0.05	0.22	9.56
Food	0.03	0.24	0.01	29.64	0.04		29.96	0.07	0.30	00.00	7.63	0.04		8.04
Mineral fuels	1,169.43						1,169.43	1,776.67	00.00		00.00			1,776.68
Chemicals	0.01	0.03	00.00	0.01			0.04	00.0	0.01	00.00	0.03	0.00		0.05
Plastics, rubber products	0.06	0.01	00.00	0.01	00.0		0.08	0.01	0.03		0.01			0.05
Leather, leather products	0.01	00.00	00.00	0.01			0.02	0.02	0.03			0.02		0.08
Wood, cork	0.81		00.00	0.02			0.83	0.34	0.01	00.00	0.02			0.37
Pulp, paper	0.04	0.01	00.00	00.00		0.00	0.05	0.01	0.02	00.00	0.01			0.03
Textile products	0.01	0.05	00.00	2.30		0.00	2.37	0.05	0.04	00.00	0.82			0.91
Clothing	0.01	3.95	00.00	0.01			3.97	0.01	1.74	00.00	0.01	0.01		1.76
Footwear	00.0	3.57	00.00	00.00	00.0		3.58	00.0	3.60					3.60
Minerals, ores	0.32	00.00	00.00	0.08			0.40	0.24	0.02	00.00	0.02			0.28
Base metals	0.09	0.11	0.15	0.01	0.01		0.37	0.09	0.22	0.01	0.01	0.00		0.33
Machinery, equipment	1.95	0.91	0.01	0.21	0.03	0.07	3.17	1.42	1.74	0.01	0.05	0.01	0.00	3.23
Motor vehicles, other transport equipment	0.92	0.29	0.01	00.00	0.06		1.28	0.40	0.23	00.00	0.07	0.09	0.00	0.79
Optical and precision instruments	1.14	0.01	0.03	0.04	0.00	0.01	1.23	1.35	0.04	00.0	0.03	0.02		1.44
Other products	0.36	00.00	00.00	0.10			0.47	0.03	0.08	0.00	0.20		00.0	0.31
Total	1,177.50	9.97	0.26	41.98	0.27	1.03	1,231.01	1,781.47	9.11	0.04	16.43	0.25	0.23	1,807.52

BANCO DE PORTUGAL | ECONOMIC DEVELOPMENTS IN PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE 2012/2013

Table A.III.4.

Source: Statistics Portugal (INE).

Table A.III.5.

					Cur	rent acco	unt				
			Merchandis	se in the second se			Curi	ent transfe	rs		Capital
		Export.	Import.	Balance	Services	Income	Total	of wh Remitte		Balance	account
								Emig.	lmig.		
	2008	2,270.6	402.5	1,868.1	557.2	130.1	43.2	70.9	13.1	2,598.6	20.6
	2009	2,241.4	151.7	2,089.7	549.1	359.9	112.1	103.5	12.3	3,110.9	-4.5
Angola	2010	1,904.1	552.8	1,351.3	689.4	510.6	155.3	134.9	13.5	2,706.5	-2.8
	2011	2,331.4	1,139.3	1,192.1	950.3	874.8	169.6	147.3	12.9	3,186.8	3.8
	2012	3,002.6	1,724.4	1,278.2	1,183.1	271.1	291.1	270.7	15.4	3,023.4	4.5
	2008	259.1	9.2	249.8	24.8	-8.3	-35.8	2.1	23.7	230.5	-7.7
	2009	222.6	7.5	215.1	29.2	5.2	-35.9	2.5	20.9	213.7	-1.3
Cape Verde	2010	262.4	8.0	254.4	10.0	22.3	-25.9	3.1	12.9	260.7	-1.7
	2011	254.1	11.1	243.0	5.5	30.6	-6.6	2.8	13.3	272.5	-1.0
	2012	216.8	14.4	202.4	-8.4	16.7	-10.0	2.4	14.1	200.7	2.7
	2008	40.3	0.6	39.7	3.0	9.4	-9.4	0.1	6.5	42.7	-1.2
	2009	33.4	1.4	32.1	3.7	-1.1	-4.5	0.3	5.1	30.2	-1.5
Guinea-Bissau	2010	42.7	0.7	42.1	4.3	6.6	-5.4	0.3	4.8	47.5	-2.5
	2011	64.3	2.1	62.2	5.5	3.0	-5.3	0.2	4.3	65.3	-1.0
	2012	71.3	2.7	68.5	3.4	0.7	-3.9	0.2	2.5	68.8	-0.5
	2008	92.7	42.2	50.5	21.2	77.5	-2.3	2.3	3.2	146.9	-101.3
	2009	120.8	46.6	74.2	19.8	46.5	-3.2	2.4	3.2	137.3	-14.2
Mozambique	2010	150.6	32.7	117.9	33.9	60.9	-3.5	2.7	4.5	209.1	-14.6
	2011	217.0	45.7	171.3	49.6	73.4	7.3	4.7	5.7	301.6	-14.8
	2012	288.3	27.8	260.5	45.2	56.3	-1.5	5.0	8.8	360.5	-17.4
	2008	36.6	2.0	34.6	5.4	1.1	-0.8	0.1	0.6	40.3	-0.2
S. Tomé and	2009	35.5	2.0	33.5	6.0	0.8	0.4	0.2	0.4	40.7	-1.4
Príncipe	2010	42.6	1.8	40.8	7.2	1.0	-1.3	0.1	1.3	47.7	-1.3
· mope	2011	46.5	1.2	45.3	9.0	1.1	0.0	0.3	0.8	55.4	-1.1
	2012	46.3	1.9	44.4	6.8	1.2	-1.3	0.3	1.3	51.2	-1.0
	2008	2.1	0.5	1.6	-9.5	6.5	-1.3	0.2	0.1	-2.7	-0.5
	2009	9.3	1.0	8.3	0.7	7.9	-0.9	0.3	0.1	16.0	-1.0
Timor-Leste	2010	6.7	1.2	5.5	-3.8	16.3	0.1	0.3	0.1	17.9	-0.2
	2011	5.2	1.1	4.1	1.1	18.5	-5.0	0.4	0.1	18.6	-0.6
	2012	8.1	0.3	7.8	3.1	2.7	-5.3	0.8	0.1	8.3	-0.5
Total of	2008	2,701.4	457.0	2,244.4	602.2	216.2	-6.4	75.7	47.1	3,056.4	-90.2
Portuguese-	2009	2,663.1	210.2	2,452.9	608.6	419.3	67.9	109.1	42.0	3,548.7	-23.9
speaking African	2010	2,409.1	597.2	1,811.9	741.1	617.6	119.1	141.5	37.1	3,289.6	-23.1
Countries and	2011	2,918.4	1,200.4	1,718.0	1,020.9	1,001.4	160.0	155.8	37.0	3,900.2	-14.7
Timor-Leste		3,633.5	1,771.5	1,861.9	1,233.2	348.6	269.1	279.4	42.0	3,712.8	-12.2

CURRENT AND CAPITAL ACCOUNTS WITH PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE (PORTUGAL'S PERSPECTIVE) | EUR millions

Source: Banco de Portugal.

Table A.III.6.

LESTE | By sector of activity, EUR millions 2011 2012 Inv. Desinv. Inv. Desinv. Prof., scientific and tech. activ. and administrative and support service activ. 56 11 1 15 77 Information and communication activities 0.3 0.4 0.0 0.6 Real estate activities 0.0 26 -0.1 2.5 Agricultural, animal prod., hunting, forestry, fishing and mining and guarrying 0.3 0.7 0.4 5.9 Trade; repair of motor vehicles; transp. and storage; accomm., food service 146.7 69.1 171.9 252 Construction 160.6 474 6 336.1 33 1 Angola Electricity, gas, steam, water, sewerage, waste manag. and remediation activ. 01 01 0.0 08 Manufacturing 18.5 4.0 0.5 84 Monetary intermediation 558.4 4.0 111.2 37.1 Other financial and insurance activities 1.9 0.7 1.9 5.9 Other activities 31.6 -6.4 TOTAL 909.5 532.9 312.8 430.3 Prof., scientific and tech. activ. and administrative and support service activ. 1.0 0.2 0.3 0.1 Information and communication activities 01 03 Real estate activities 0.0 0.0 2.1 Agricultural, animal prod., hunting, forestry, fishing and mining and quarrying 1.2 Trade; repair of motor vehicles; transp. and storage; accomm., food service -0.1 0.2 1.5 Cape Verde Construction 12.7 57.0 11.5 51.2 Electricity, gas, steam, water, sewerage, waste manag. and remediation activ. 0.1 Manufacturing 3.9 0.3 06 0.2 Monetary intermediation 0.5 15.4 0.5 5.8 Other activities 0.4 1.8 2.1 0.1 TOTAL 33.3 59.6 20.7 57.1 Prof., scientific and tech. activ. and administrative and support service activ. 0.1 0.1 Information and communication activities Trade; repair of motor vehicles; transp. and storage; accomm., food service 0.0 Guinea-Construction 01 21.7 Manufacturing Bissau 1.6 0.1 Monetary intermediation 0.0 Other activities 0.0 -0.2 0.0 TOTAL 1.7 0.0 0.2 21.8 Prof., scientific and tech. activ. and administrative and support service activ. 19.2 4.5 12.0 1.9 Information and communication activities -42 01 Real estate activities 4.3 3.7 Agricultural, animal prod., hunting, forestry, fishing and mining and guarrying 01 0.0 Trade; repair of motor vehicles; transp. and storage; accomm., food service 1.5 29.6 10.7 16.6 Construction 39.1 52.7 38.3 124.8 Mozambique Electricity, gas, steam, water, sewerage, waste manag. and remediation activ. 1.4 0.0 Manufacturing 6.3 0.7 3.3 16.3 Monetary intermediation 93 9 3.6 22.4 59.9 Other financial and insurance activities 0.0 1.7 Other activities -35.7 13.9 -0.6 -2.8 TOTAL 97.5 135.1 76.9 229.7 Prof., scientific and tech. activ. and administrative and support service activ. 0.0 0.0 Real estate activities 0.8 Agricultural, animal prod., hunting, forestry, fishing and mining and guarrying 05 0.0 Trade; repair of motor vehicles; transp. and storage; accomm., food service 0.2 0.1 S. Tomé and Construction 4.3 9.2 3.6 5.6 Electricity, gas, steam, water, sewerage, waste manag. and remediation activ. Príncipe Manufacturing 0.1 Monetary intermediation 0.5 0.4 Other activities 0.0 0.4 0.0 TOTAL 5.6 9.6 5.0 5.6 Prof., scientific and tech. activ. and administrative and support service activ. 0.0 0.0 Construction 0.0 0.0 Monetary intermediation Timor-Leste 11.4 0.5 Other activities 0.7 0.0 0.3 TOTAL 12.1 0.0 0.7 0.0 Total Portuguese-speaking African countries and Timor-Leste 679.1 436.8 744.4 1,097.3

PORTUGUESE DIRECT INVESTMENT IN PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-

Source: Banco de Portugal. Statistics prepared on the basis of the Survey on Portuguese Investment Abroad.

Table A.III.7.

DIRECT INVESTMENT OF PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE IN PORTUGAL | By sector of activity, EUR millions

		20	11	201	2
		Inv.	Desinv.	Inv.	Desinv.
	Prof., scientific and tech. activ. and administrative and support service activ.	9.9	0.1	5.5	0.1
	Information and communication activities	0.1	0.0	0.1	
	Real estate activities	5.2	0.1	5.3	0.6
	Agricultural, animal prod., hunting, forestry, fishing and mining and quarrying	6.5		0.2	
Angola	Trade; repair of motor vehicles; transp. and storage; accomm., food service	2.6	1.2	10.2	4.1
Aliguia	Construction	10.2	0.0	13.7	1.7
	Manufacturing	0.0	0.2	0.1	
	Monetary intermediation	-152.4		300.7	0.0
	Other activities	15.0	0.1	5.4	0.2
	TOTAL	-102.8	1.8	341.2	6.6
	Prof., scientific and tech. activ. and administrative and support service activ.	0.3		0.2	
	Information and communication activities			0.2	
	Real estate activities	3.0		0.8	
Cape Verde	Trade; repair of motor vehicles; transp. and storage; accomm., food service				
	Construction	1.4		0.6	
	Monetary intermediation	0.4	0.0	0.2	
	Other activities	0.7		0.1	0.1
	TOTAL	5.8	0.0	2.1	0.1
Guinea- Bissau	Trade; repair of motor vehicles; transp. and storage; accomm., food service				
	Other activities	0.0		0.1	
Dissua	TOTAL	0.0	0.0	0.1	0.0
	Prof., scientific and tech. activ. and administrative and support service activ.		0.1	0.0	0.0
	Information and communication activities	0.2	0.1		
	Real estate activities			0.3	
	Agricultural, animal prod., hunting, forestry, fishing and mining and quarrying				
Mozambique	Trade; repair of motor vehicles; transp. and storage; accomm., food service			0.0	
mozamolque	Construction	0.0	0.1	0.0	0.0
	Manufacturing	0.0		0.0	0.0
	Monetary intermediation		1.0	0.0	1.7
	Other activities	0.6		0.0	0.1
	TOTAL	0.8	1.2	0.4	1.8
S. Tomé and	Real estate activities				1.1
Príncipe	Monetary intermediation		0.0		
· mape	TOTAL	0.0	0.0	0.0	1.1
	Prof., scientific and tech. activ. and administrative and support service activ.	0.0		0.0	
Timor-Leste	Monetary intermediation	2.2			
Timor Leste	Other activities	0.0		0.0	
	TOTAL	2.2	0.0	0.0	0.0
Total Pe	ortuguese-speaking African countries and Timor-Leste	-93.9	3.1	343.8	9.5

Source: Banco de Portugal. Statistics prepared on the basis of the Survey on Portuguese Investment Abroad.

Table A.III.8.

		Direct	debt to the (1)	State		n and long guaranteed (2)		0	fficial deb (1)+(2)	t
		Due	In arrears	Total	Due	In arrears	Total	Due	In arrears	Total
	2008	698		698	562		562	1,260		1,260
	2009	670		670	686		686	1,356		1,356
Angola	2010	642		642	799		799	1,441		1,441
	2011	614		614	994		994	1,608		1,608
	2012	586		586	984		984	1,570		1,570
	2008	95		95	58		58	153		153
	2009	114		114	55		55	169		169
Cape Verde	2010	134		134	133		133	268		268
	2011	154		154	202		202	355		355
	2012	187		187	318		318	505		505
	2008	77	48	125				77	48	125
	2009	81	53	134				81	53	134
Guinea-Bissau	2010	74	53	126				74	53	126
	2011	70	55	125				70	55	125
	2012	70	60	129				70	60	129
	2008	393		393	0		0	393		393
	2009	391		391	45		45	436		436
Mozambique	2010	388		388	135		135	523		523
	2011	383		383	680		680	1,063		1,063
	2012	376		376	803		803	1,178		1,178
	2008	35		35				35		35
	2009	35		35	2		2	37		37
S. Tomé and Príncipe	2010	35		35	14		14	49		49
rincipe	2011	35		35	29		29	64		64
	2012	38		38	37		37	75		75
Total of	2008	1,299	48	1,346	620		620	1,919	48	1,967
Portuguese-	2009	1,291	53	1,344	788		788	2,079	53	2,132
speaking	2010	1,273	53	1,326	1,081		1,081	2,354	53	2,407
African	2011	1,256	55	1,310	1,905		1,905	3,161	55	3,215
countries	2012	1,256	60	1,316	2,142		2,142	3,398	60	3,458

Sources: Ministry of Finance - GPEARI.